

INSTITUTE  
OF PACIFIC  
RELATIONS

SECTION 4

subject **INSTITUTE  
OF PACIFIC  
RELATIONS**

file no. 100-64700

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serials 111 - 140



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# FEDERAL BUREAU OF INVESTIGATION

Form No. 1  
THIS CASE ORIGINATED AT NEW YORK

NY File No. 100-17808 VNF

REPORT MADE AT <b>NEW YORK</b>	DATE WHEN MADE <b>7/22/49</b>	PERIOD FOR WHICH MADE <b>7/6-8, 11-14/49</b>	REPORT MADE BY <b>[REDACTED]</b> <i>b7C</i>
TITLE <b>INSTITUTE OF PACIFIC RELATIONS</b> <i>AMERICAN Institute of Pacific Relations</i>		CHARACTER OF CASE <b>INTERNAL SECURITY - C</b>	
SYNOPSIS OF FACTS: <div><i>[Handwritten notes and signatures: 10/15/49, 10/16/49, 10/17/49, 10/18/49, 10/19/49, 10/20/49, 10/21/49, 10/22/49, 10/23/49, 10/24/49, 10/25/49, 10/26/49, 10/27/49, 10/28/49, 10/29/49, 10/30/49, 10/31/49, 11/1/49, 11/2/49, 11/3/49, 11/4/49, 11/5/49, 11/6/49, 11/7/49, 11/8/49, 11/9/49, 11/10/49, 11/11/49, 11/12/49, 11/13/49, 11/14/49, 11/15/49, 11/16/49, 11/17/49, 11/18/49, 11/19/49, 11/20/49, 11/21/49, 11/22/49, 11/23/49, 11/24/49, 11/25/49, 11/26/49, 11/27/49, 11/28/49, 11/29/49, 11/30/49, 12/1/49, 12/2/49, 12/3/49, 12/4/49, 12/5/49, 12/6/49, 12/7/49, 12/8/49, 12/9/49, 12/10/49, 12/11/49, 12/12/49, 12/13/49, 12/14/49, 12/15/49, 12/16/49, 12/17/49, 12/18/49, 12/19/49, 12/20/49, 12/21/49, 12/22/49, 12/23/49, 12/24/49, 12/25/49, 12/26/49, 12/27/49, 12/28/49, 12/29/49, 12/30/49, 12/31/49, 1/1/50, 1/2/50, 1/3/50, 1/4/50, 1/5/50, 1/6/50, 1/7/50, 1/8/50, 1/9/50, 1/10/50, 1/11/50, 1/12/50, 1/13/50, 1/14/50, 1/15/50, 1/16/50, 1/17/50, 1/18/50, 1/19/50, 1/20/50, 1/21/50, 1/22/50, 1/23/50, 1/24/50, 1/25/50, 1/26/50, 1/27/50, 1/28/50, 1/29/50, 1/30/50, 1/31/50, 2/1/50, 2/2/50, 2/3/50, 2/4/50, 2/5/50, 2/6/50, 2/7/50, 2/8/50, 2/9/50, 2/10/50, 2/11/50, 2/12/50, 2/13/50, 2/14/50, 2/15/50, 2/16/50, 2/17/50, 2/18/50, 2/19/50, 2/20/50, 2/21/50, 2/22/50, 2/23/50, 2/24/50, 2/25/50, 2/26/50, 2/27/50, 2/28/50, 2/29/50, 2/30/50, 3/1/50, 3/2/50, 3/3/50, 3/4/50, 3/5/50, 3/6/50, 3/7/50, 3/8/50, 3/9/50, 3/10/50, 3/11/50, 3/12/50, 3/13/50, 3/14/50, 3/15/50, 3/16/50, 3/17/50, 3/18/50, 3/19/50, 3/20/50, 3/21/50, 3/22/50, 3/23/50, 3/24/50, 3/25/50, 3/26/50, 3/27/50, 3/28/50, 3/29/50, 3/30/50, 3/31/50, 4/1/50, 4/2/50, 4/3/50, 4/4/50, 4/5/50, 4/6/50, 4/7/50, 4/8/50, 4/9/50, 4/10/50, 4/11/50, 4/12/50, 4/13/50, 4/14/50, 4/15/50, 4/16/50, 4/17/50, 4/18/50, 4/19/50, 4/20/50, 4/21/50, 4/22/50, 4/23/50, 4/24/50, 4/25/50, 4/26/50, 4/27/50, 4/28/50, 4/29/50, 4/30/50, 5/1/50, 5/2/50, 5/3/50, 5/4/50, 5/5/50, 5/6/50, 5/7/50, 5/8/50, 5/9/50, 5/10/50, 5/11/50, 5/12/50, 5/13/50, 5/14/50, 5/15/50, 5/16/50, 5/17/50, 5/18/50, 5/19/50, 5/20/50, 5/21/50, 5/22/50, 5/23/50, 5/24/50, 5/25/50, 5/26/50, 5/27/50, 5/28/50, 5/29/50, 5/30/50, 5/31/50, 6/1/50, 6/2/50, 6/3/50, 6/4/50, 6/5/50, 6/6/50, 6/7/50, 6/8/50, 6/9/50, 6/10/50, 6/11/50, 6/12/50, 6/13/50, 6/14/50, 6/15/50, 6/16/50, 6/17/50, 6/18/50, 6/19/50, 6/20/50, 6/21/50, 6/22/50, 6/23/50, 6/24/50, 6/25/50, 6/26/50, 6/27/50, 6/28/50, 6/29/50, 6/30/50, 7/1/50, 7/2/50, 7/3/50, 7/4/50, 7/5/50, 7/6/50, 7/7/50, 7/8/50, 7/9/50, 7/10/50, 7/11/50, 7/12/50, 7/13/50, 7/14/50, 7/15/50, 7/16/50, 7/17/50, 7/18/50, 7/19/50, 7/20/50, 7/21/50, 7/22/50, 7/23/50, 7/24/50, 7/25/50, 7/26/50, 7/27/50, 7/28/50, 7/29/50, 7/30/50, 7/31/50, 8/1/50, 8/2/50, 8/3/50, 8/4/50, 8/5/50, 8/6/50, 8/7/50, 8/8/50, 8/9/50, 8/10/50, 8/11/50, 8/12/50, 8/13/50, 8/14/50, 8/15/50, 8/16/50, 8/17/50, 8/18/50, 8/19/50, 8/20/50, 8/21/50, 8/22/50, 8/23/50, 8/24/50, 8/25/50, 8/26/50, 8/27/50, 8/28/50, 8/29/50, 8/30/50, 8/31/50, 9/1/50, 9/2/50, 9/3/50, 9/4/50, 9/5/50, 9/6/50, 9/7/50, 9/8/50, 9/9/50, 9/10/50, 9/11/50, 9/12/50, 9/13/50, 9/14/50, 9/15/50, 9/16/50, 9/17/50, 9/18/50, 9/19/50, 9/20/50, 9/21/50, 9/22/50, 9/23/50, 9/24/50, 9/25/50, 9/26/50, 9/27/50, 9/28/50, 9/29/50, 9/30/50, 10/1/50, 10/2/50, 10/3/50, 10/4/50, 10/5/50, 10/6/50, 10/7/50, 10/8/50, 10/9/50, 10/10/50, 10/11/50, 10/12/50, 10/13/50, 10/14/50, 10/15/50, 10/16/50, 10/17/50, 10/18/50, 10/19/50, 10/20/50, 10/21/50, 10/22/50, 10/23/50, 10/24/50, 10/25/50, 10/26/50, 10/27/50, 10/28/50, 10/29/50, 10/30/50, 10/31/50, 11/1/50, 11/2/50, 11/3/50, 11/4/50, 11/5/50, 11/6/50, 11/7/50, 11/8/50, 11/9/50, 11/10/50, 11/11/50, 11/12/50, 11/13/50, 11/14/50, 11/15/50, 11/16/50, 11/17/50, 11/18/50, 11/19/50, 11/20/50, 11/21/50, 11/22/50, 11/23/50, 11/24/50, 11/25/50, 11/26/50, 11/27/50, 11/28/50, 11/29/50, 11/30/50, 12/1/50, 12/2/50, 12/3/50, 12/4/50, 12/5/50, 12/6/50, 12/7/50, 12/8/50, 12/9/50, 12/10/50, 12/11/50, 12/12/50, 12/13/50, 12/14/50, 12/15/50, 12/16/50, 12/17/50, 12/18/50, 12/19/50, 12/20/50, 12/21/50, 12/22/50, 12/23/50, 12/24/50, 12/25/50, 12/26/50, 12/27/50, 12/28/50, 12/29/50, 12/30/50, 12/31/50]</i></div>		Subject organization still active reporting news relative to economic, social and political conditions in the Far East. It has been subject to critical comments from ALFRED KOHLBERG, former member of the IPR, the "New York Journal American" and "Counter Attack". Subject organization's publications, "News of the IPR", and "Far Eastern Survey" show reversal of former trend towards reporting only favorable comments relative to the USSR and all local Communist movements. EDWARD CLARK CARTER was forced to resign position as Executive Secretary with the IPR because of his attitude towards Russia, and was replaced by CLAYTON LANE, retired U. S. Foreign Service Officer. LANE in voluntary interview, stated he intends to remove all questionable individuals from the staff of IPR and return it to a factual news reporting agency. FREDERICK V. FIELD "ceased out" because of these reasons. A review of publications indicates decided change in contents of articles published. Several articles, highly critical of USSR and of Communist China, published since installation of LANE. Organization's administrative personnel, officers and financial statements set out.	
REFERENCE: <b>[REDACTED]</b> Green File 100-64700. Report of SA <b>[REDACTED]</b> 1/2/49, New York.		<b>[REDACTED]</b> <i>b7C</i>	
APPROVED AND FORWARDED: <i>[Signature]</i>		ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED EXCEPT WHERE SHOWN OTHERWISE DO NOT WRITE IN THESE SPACES <b>100-64700-111</b>	
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DETAILS:

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the Institute of Pacific Relations, hereinafter referred to as IPR, still maintains offices at 13 East 54th Street, New York City. This organization continues to publish a periodical known as the "Far Eastern Survey" which has been published since the time the magazine, "Amerasia" ceased publication. [REDACTED] that the IPR puts out a yearly summary of achievements and activities called "News of the IPR".

#### I. ALLEGATIONS OF SUBVERSIVE ACTIVITIES

##### 1. SHURA LEWIS

In the "New York Journal American," May 7, 1947, the news item written by DAVID SENTINER entitled, "Students Rebel at Red Speech," the following information is set forth:

Mrs. SHURA LEWIS, wife of a former court clerk in the American Embassy in Moscow, made a speech before the General Assembly of the Western High School in Washington, D.C., on May 7th. Mrs. LEWIS, who was identified as a Soviet-born speaker, was sponsored by the IPR. The article continued that during her speech before the assembly, she glorified the Soviet Union to the disparagement of the United States. This activity was in contrast with her announced speech which was supposed to have been concerned only with the subject of Russian education.

The article stated, "Mrs. LEWIS has been touring American schools under the auspices of the Institute of Pacific Relations, cited as a Communist Front dealing with international propaganda, in the official files of the House Committee on Un-American Activities."

Mrs. LEWIS was paid \$20 for making this speech. While the speech was in progress, a demonstration of the high school students, led by DICK SMITH, aged 18, son of an Army Colonel recently returned from Vienna, walked out of the Assembly. A committee of 35 students was formed to organize a general strike until an official apology was obtained from the school. SMITH was quoted as saying, "We don't come to school to learn Communism."

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In another article, in the same paper under the same dateline, Mrs. LEWIS was further identified as Mrs. ALEKSANDRA P. LEWIS, wife of a former diplomatic clerk in Moscow, now a student at George Washington University, Washington, D.C. The principal of Western High School, Mr. NATHANIEL A. DANOWSKY, quoted Mrs. LEWIS as saying, "In Russia we have more than you people have here. Everything is free. There is no insecurity in Russia. Everyone works at good wages with no charges for service."

In the "New York Journal American", May 8, 1947, DAVID SENTINER, in a column entitled, "Acclaim Anti-Red Rally of Four Pupils", quoted Representative VURSELL as stating that the action of the students referred to above was as far-reaching in its effect as the Boston Tea Party. This article also stated that Mrs. LEWIS had been under FBI surveillance since she entered this country in 1943.

In the "New York Journal American" of May 19, 1947, there appeared a picture of the four student leaders of the above-mentioned demonstration along with Representative ALVIN E. O'KONSKI, who was identified as President of the Anti-Communist Association of America. The students who were identified were RUTH PIGOTT, VIRGINIA LANHAM, DICK SMITH and VIRGINIA KARACKLE. They were presented with flags and scrolls by Representative O'KONSKI.

In a column written by RAY RICHARDS in the "New York Journal American" for May 19, entitled, "Hail Pupils' Snub to Leftist Expert," the IPR which furnished the pro-Russian speaker was characterized as "a high-toned super duper intellectual front of the American Leftist Movement, which reached that status about five years ago after serving for fifteen years as a tool for Jap penetration of the West Coast." The article continues, "It (IPR) publishes high-powered Communist propaganda in expensively bound books and slick paper magazines. It influenced American foreign policy during the strictly New Deal period by furnishing 'expert' advisors to the State Department. It is always well heeled, for its patrons include such wealthy patrons as PHILIP LAFFE, who was fined \$2,000 for participation in the 1945 'Amarasia Case'. In that scandal, confidential information was rifled from the State Department for use of a Russian propaganda magazine, the editorial board of which consisted largely of IPR writers."

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2. EDWARD CLARK CARTER

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EDWARD CLARK CARTER, [REDACTED] as the former Executive Secretary of the IPR, was formerly chairman of the Russian War Relief and President of the Board of Directors of the American-Russian Institute.

[REDACTED]

A report of the Special Committee on Un-American Activities, House of Representatives, 78th Congress, pages 468 and 469, refers to EDWARD C. CARTER of the IPR as a member of the Board of Directors of the American-Russian Institute for Cultural Relations with the Soviet Union.

Mr. LOUIS F. BUDENZ, former managing editor of the "Daily Worker," an East Coast daily newspaper, on April 22, 1948, stated, "EDWARD C. CARTER was certainly under Communist Party discipline." Mr. BUDENZ also said that he had numerous dealings with EDWARD C. CARTER while on the "Daily Worker" staff and that "These were on a plane based on the fact that he was a member of the Communist Party." BUDENZ stated, "The Institute of Pacific Relations was originally non-Communist, but Communists infiltrated it. The Institute of Pacific Relations was discussed at political committee meetings of the Communist Party. The professional staff of the Institute of Pacific Relations contained many non-Communists who were friendly with the Communists because of the myth that the Chinese Reds were merely agrarian reformers. The Communist Party did have very great influence in the Institute of Pacific Relations and at times controlled its policy. FREDERICK V. FIELD [REDACTED]

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[REDACTED] as a former chairman of the editorial board of 'Amerasia' and a member of the Executive Committee of the Institute of Pacific Relations, and formerly Secretary of the IPR from 1934 to 1940, by his contributions to the Institute of Pacific Relations, had a strong influence. FIELD is a Communist Party member."

3. PACIFIC STORY

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

4. ALFRED KOHLBERG

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It should be noted that in the referenced report of SA [REDACTED] at New York dated January 2, 1947, it was reflected that in the April 12, 1945 issue of the "New York World Telegram" information was set out that ALFRED KOHLBERG, reporter, of 1 West 37th Street, former member of IPR,

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had brought an action in the New York Supreme Court judging that the IPR was being dominated by Communists and demanding that that organization give him a copy of its membership list in order that he might circularize the members. The hearing was before Justice BEPNARD L. SHIENTAG, before whom an agreement was reached which would allow KOHLBERG to circularize the members of the IPR.

On January 18, 1947, "The Tablet" printed an open letter written by KOHLBERG to Mr. E. C. CARTER of the IPR, in which he set forth in detail his charges made against the IPR and the reasons for such charges. In the body of the letter, Mr. KOHLBERG made the following statements, which are quoted directly from the newspaper text of the letter:

"Every Communist is an agent of Russia and bound to follow the Party line of the moment. If a scholar, he must prostitute his scholarship to the Communist line. American Communists are not members of a political party in the usual sense but are members of an international conspiracy who are pledged to 'fight for the establishment of the world dictatorship of the proletariat for the establishment of a world union of Socialist Soviet Republics.'"

The letter from Mr. KOHLBERG calls attention to the personnel of the IPR, stating that many of them have Communist Party and Fellow Traveler backgrounds and stated that of the eleven consultants in the "Committee for a Democratic Far Eastern Policy," eight have been connected with the IPR. Individuals so designated were as follows:

T. A. ~~BISSON~~  
PHILIP ~~JAFTE~~  
LAWRENCE E. ~~SALISBURY~~  
MAXWELL S. ~~STEWART~~  
GUNTHER ~~STEIN~~  
KATE L. ~~MITCHELL~~  
~~CHU TONG~~  
HUGH ~~DEANE~~

KOHLBERG also stated that other IPR people on the list of directors and sponsors of the "Committee for a Democratic Policy Towards China" are as follows:

FREDERICK W. ~~FIELD~~  
MRS. EDGAR ~~SNOW~~  
Professor D. ~~CARRINGTON~~ ~~GOODRICH~~  
CAREY ~~CARRIE~~ ~~MC WILLIAMS~~  
GUNTHER ~~STEIN~~  
DONALD ~~STRAUS~~

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KOHLBERG stated, "With a few exceptions, all the rest are notorious joiners of Fellow Traveler fronts with no China background. In my humble opinion, this organization was set up by the IPR (not officially but by IPR people) just as much as Amerasia was."

On April 21, 1947, the "New York Times" printed an article entitled, "Fight Nears Climax in Pacific Institute," in which it was announced that a meeting of the Council would be held on April 22, at which KOHLBERG would present a resolution calling for an investigation of his charges by a committee of outsiders. This article quoted CARTER as saying that the administration of the IPR had obtained a majority of the proxies of the 2,000 members of the Council and scoffed at KOHLBERG'S allegations.

In the April 23, 1947 issue of the "New York Times", in an article entitled, "Pacific Institute Upholds its Staff," it was announced that the Council, by vote of 1163 to 66, there had been defeated a proposal by KOHLBERG for an investigation by a committee of outsiders into charges of Communist bias in its publications and professional staff. ARTHUR H. DEANE presided over the meeting of 78 persons; most of the votes were cast by proxy. After the vote was over, Mr. KOHLBERG told reporters that he would make no attempt to carry the fight further. Mr. DEANE said that the "internal investigation" was by no means over and that the trustees would keep a sharp watch against any Communist bias now or in the future.

b7d [REDACTED] a letter distributed by CARTER to the members of the IPR, setting out the basis for KOHLBERG'S charges that the Institute was biased in its treatment of the contemporary situation in the Far East, especially in China. The letter defended the IPR'S position, attacked KOHLBERG'S basis for criticism and requested that all members sign a voting proxy to enable the officers of the IPR to vote for them.

[REDACTED] a letter sent to all members of the IPR from ALFRED KOHLBERG, setting out the basis of his charges that the IPR was coloring the Far East news and spreading Communist propaganda. KOHLBERG stated in the letter that he had read the issues of the "Far Eastern Survey" and "Pacific Affairs" from 1937 until the Summer of 1941, concentrating his attention particularly on the political and military situation in China. He then drew a comparison of these articles with the Communist Party line for the similar period as reflected in the "New Masses" and "The Communist". He concluded that the IPR and the Communist publications had

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switched their attitude and policies several times and always at identical times. The publications had interchanged writers and quoted the same authorities as sources. After completing the study, KOHLBERG published an 88 page booklet which he sent to E. C. CARTER, KOHLBERG, stating that four of the six persons arrested in connection with the Amerasia case were connected with the IPR; that the IPR staff had pressured the National Broadcasting Company to continue the "Pacific Story" in a Communist-angled half-hour program and that the IPR staff had published and sponsored books and articles by the following well-known Communists:

ABRAHAM CHAPMAN  
JAMES T. ALLEN  
HARRIET L. MOORE  
PHILIP JAFFE  
ANNA LOUISE STRONG  
FREDERICK V. FIELD

KOHLBERG concluded the letter by asking for the reader's proxy, at the time the vote was to be taken. KOHLBERG listed the following members of the executive committee of the Board of Trustees for 1946:

Chairman ROBERT G. SPROUL, President of the University of California (KOHLBERG stated SPROUL had never attended a meeting.)

Executive Vice Chairman EDWARD C. CARTER, President of Russian War Relief and also connected with the American Committee for Protection of the Foreign Born, Amerasia Magazine, Defense of the Moscow Purge Trials; and maintained liaison with heads of the Communist Party.

Other members of the Executive Committee were:

JOHN E. CURTIS, Director of the ARI (American-Russian Institute.)

ARTHUR H. DEANE, attorney.

FREDERICK V. FIELD, member of the National Committee of the CP, USA, Associate Editor of "New Masses," writer for the "Daily Worker," Trustee of the Communist Party Jefferson School, etc.

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~~HUNTINGTON~~ ~~WILCHRIST~~, American Cyanamid Corporation.

~~OWEN~~ ~~LATTIMORE~~, Director, School of International Relations; John Hopkins University; Advisor to Presidents Roosevelt and Truman, and ~~HENRY WALLACE~~; connected with the pro-Communist National Emergency Conference for the Protection of Human Rights; Writers Congress; Defense of Moscow Purge Trials; Associate Editor of Amerasia; and maintains liaison with heads of the Communist Party.

~~HARRIET~~ ~~L. MOORE~~, Executive Secretary of ARI, Amerasia member of CP, USA.

~~DONALD B.~~ ~~STRAUS~~, sponsor of the pro-Communist Committee for a Democratic Far Eastern Policy.

b7d ~~CHAMBERLAIN~~ and ~~ARTHUR H. DEANE~~ and ~~JOSEPH~~ published a letter discussing in detail the charges made by ~~KOHLBERG~~, excerpts from which are quoted:

"The Institute is a nonprofit, educational institution, designed to furnish its members with scholarly ability and impartial information with respect to the Pacific area. It does not itself express opinions on public affairs and responsibility for statements of fact or opinion in its publications rests solely with the author."

"The trustees of the institution are elected by ballot by the members. A list of the present Board of Trustees is enclosed on the proxy statement recently sent to the members; there is a brief description of the affiliation of each of the trustees and ~~FREDERICK V. FIELD~~ was described as a member of the Editorial Board of 'New Masses'. Mr. FIELD was elected trustee by a majority vote of the members voting. He has for many years been a student of Far Eastern affairs and his writings for the IPR during the period he was a member of its staff have been said by competent experts to maintain a high standard of scholarship. He is a well-known and avowed Leftist. We believe that all members of the institution are well acquainted with his sympathies and affiliations. To the knowledge of the undersigned, no other member of the Executive Committee has affiliations similar to those of Mr. FIELD. Mr. KOHLBERG'S charges are based on fragmentary excerpts from articles and pamphlets frequently blocked out of context without explanation and without important qualifying sentences or clauses."

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b7d The letter concluded with the request that all members send their proxies to the IPR administrative staff.

[REDACTED] that a circular announcing the meeting of members at 1 East 54th Street at 4:30 PM on that date for the purpose of considering the KOHLBERG resolution, was distributed to all members. This notice was signed by MARGUERITE ANN WHITE, Secretary. The notice also provided a blank proxy vote to be returned by the member, which would enable ARTHUR H. DEANE or JOSEPH P. CHAMBERLAIN to vote on such members' behalf. Accompanying the notice was a letter from G. W. FISHER, Chairman, Hawaii Club, defending the American IPR against the charges of KOHLBERG.

[REDACTED] that a circular letter had been distributed to all members stating that at a members meeting on April 22, 1947, KOHLBERG'S resolution was defeated. Enclosed with this announcement was an account of the meeting carried in the Christian Science Monitor, dated April 23, 1947. The notice was signed by EDWARD C. CARTER.

5. MISCELLANEOUS

b7d [REDACTED]  
[REDACTED] reported to this office that the book entitled, "The Land of the Soviets", which was written by MARGUERITE ANN WHITE and published by the IPR and Webster Publishing Company, was a Communist propaganda book.

LOUIS F. BUDENZ, on February 7, 1942, stated that the IPR was Communist inspired 100%. He later changed this statement to say that it was controlled by the Communists.  
[REDACTED]

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In "The Shield" for July, 1947, volume 1, No. 1, under the headline, "Reds Operate Through Innocent-Sounding Fronts," the subject organization was listed as one which was either an outright Communist club or was wholly or in part controlled by the Communists.

In the "New Leader" for January 31, 1948, page 5, column 2, the subject organization was listed as one in which innocent liberals did not realize the extent of Communist infiltration. The list was compiled of organizations which were characterized as "front organizations."

On March 6, 1948, in the "New Leader", page 9, column 2, under the title, "A Spy Ring in Tokio," the following information was published:

"Japanese Government records seized by G-2 tell the story of how a Communist spy ring operated during the war inside the German Embassy in Tokio. Involved were authors of books on the Far East, GUNTHER STEIN and AGNES SNEEDLEY. STEIN was a correspondent for the IPR and is a sponsor of the Communist-led "Committee for a Democratic Far Eastern Policy".

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that on that date, at 2:30 PM, a "Hands Off China Rally" was held at the City Center Casino, 135 W. 55th Street, New York under the sponsorship of the Committee for a Democratic Far Eastern Policy. In attendance were 630 people who contributed \$2400, and displayed on the literature table were copies of the IPR publication, "Far Eastern Survey."

## II. ADMINISTRATION OF THE INSTITUTE OF PACIFIC RELATIONS

### 1. Officers

In the "News of the IPR," published as an annual report by the American IPR for the year of 1948, the following national officers and Board of Trustees, along with the designated members of the Executive Committee were listed:

#### National Officers and Trustees

At the Annual Meeting of Members held on February 15, 1949, and at the Annual Meeting of the Board, held on March 15, 1949, the following Officers and Trustees were elected:

#### OFFICERS

Chairman  
Vice-Chairmen

Treasurer  
Executive Secretary  
Assistant Treasurer  
Assistant Secretary

RAY LYMAN WILBUR  
RAYMOND B. ALLEN  
ARTHUR H. DEAN  
WALTER F. DILLINGHAM  
ROBERT GORDON SPROUL  
DONALD B. STRAUS  
CLAYTON LANE  
TILLIE G. SHAIN  
KATRINE E. C. GREENE

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BOARD OF TRUSTEES

Edward W. Allen  
\*Raymond E. Allen  
J. Ballard Atherton  
Joseph W. Ballantine  
Edward W. Belts  
Knight Biggerstaff

\*Hugh Borton

Stuart P. Breck

H. Clifford Brown

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George T. Cameron

\*Edward C. Carter

Joseph P. Chamberlain

Dwight L. Clarke

Chas. F. Glise

Arthur G. Coons

George B. Cressy

\*Arthur H. Dean

\*Walter F. Dillingham

Brooks Eseny

Rupert Emerson

John K. Fairbank

G. W. Fisher

Richard E. Fuller

Charles K. Gamble

Martha A. Gerbode

L. Carrington Goodrich

O. C. Hansen

W. R. Hared

John E. Hersey

William L. Holland

Attorney: Allen, Froude, Hilen & DeGarmo, Seattle  
President, University of Washington, Seattle  
Vice-President, Mutual Telephone Company, Honolulu  
The Brookings Institution, Washington, D.C.  
Geologist, Standard-Vacuum Oil Company, New York  
Chairman, Department of Far Eastern Studies,  
Cornell University  
East Asian Institute, Columbia University,  
New York  
Department of Research and Education, Congress  
of Industrial Organizations, Washington, D.  
Vice-President, Chicago Bridge & Iron Co., New York  
Assistant to the President, American Bank Note  
Company, New York  
Publisher, San Francisco Chronicle  
Provost, New School for Social Research, New York  
Professor of Public Law, Columbia University, N.Y.  
President, Occidental Life Insurance Company  
of California, Los Angeles  
President, Washington Securities Company, Seattle  
President, Occidental College, Los Angeles  
Chairman, Department of Geography, Syracuse  
University  
Partner: Sullivan & Cromwell, New York  
President, Oahu Railway & Land Company, Honolulu  
President, Foreign Policy Association, New York  
Professor of Government, Harvard University  
Professor of History, Harvard University  
Executive Vice-President, Bishop Trust Company,  
Ltd., Honolulu  
Director, Seattle Art Museum  
Director, Standard-Vacuum Oil Company, New York  
Trustee, World Affairs Council of Northern  
California, San Francisco  
Department of Chinese and Japanese, Columbia  
University, New York  
Frazar & Hansen Import-Export Company, San Francisco  
President, International General Electric  
Company, New York  
Author: "Men on Bataan"; "Into the Valley"; "Bell  
for Adano"; "Hiroshima"  
Secretary General, Institute of Pacific Relations

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Raymond Kennedy ○  
Benjamin H. Kizer ○  
Daniel E. Koshland ○  
\*Clayton Lane ○  
\*Lewis A. Lapham ○  
Owen Lattimore ○

Herbert S. Little ○  
\*William W. Lockwood ○

Boyd A. Martin ○

Charles E. Martin ○

Rene A. May ○  
Frank E. Midkiff ○

Donald M. Nelson ○  
Emmet O'Neal ○

David M. Rowe ○

James H. Shoemaker ○

Gregg M. Sinclair ○  
Robert Gordon Spreul ○

\*Donald B. Straus ○  
George E. Taylor ○

Donald G. Tweksbury ○

Sumner Welles ○

Lynn T. White, Jr. ○  
Bayton Wilbur ○  
\*Ray Lyman Wilbur ○  
Heaton L. Wrenn ○  
Louise L. Wright ○

Professor of Sociology, Yale University, New Haven  
Attorney: Graves, Kizer & Graves, Spokane  
Vice-President, Levi Strauss & Co., San Francisco  
Executive Secretary, American IPR, New York  
President, American Hawaiian Steamship Company  
Director, Walter Hines Page School of International  
Relations, Johns Hopkins University, Baltimore  
Attorney: Little, Leader, LeSourd & Palmer, Seattle  
Assistant Director, Woodrow Wilson School of Public  
and International Affairs, Princeton University  
Professor of Political Science, University of  
Idaho, Moscow, Idaho  
Professor of Political Science, University of  
Washington, Seattle  
President, Getz Brothers, Exporters, San Francisco  
Trustee: Bernice P. Bishop Estate, Kanehama  
Schools, and Punahou School, Honolulu  
Electronized Chemical Corporation, Los Angeles  
Attorney, Washington, D.C. U.S. Ambassador to the  
Philippines  
Associate Professor of International Relations,  
Yale University, New Haven  
Chairman, Department of Economics and Business,  
University of Hawaii, Honolulu  
President, University of Hawaii, Honolulu  
President, University of California  
Management-Employee Relations, Inc., New York  
Director, Far Eastern Institute, University of  
Washington, Seattle  
Professor of Comparative Education, Teachers College,  
Columbia University, New York  
Writer and commentator. Former Under Secretary  
of State  
President, Mills College, Oakland, California  
President, Wilbur-Ellis Company, San Francisco  
Chancellor, Stanford University, California  
Attorney: Anderson, Wrenn & Jenks, Honolulu  
Director, Chicago Council on Foreign Relations

\* Member, Executive Committee, American I.P.R.

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It should be noted that the current list reflects several changes in officers and members of the Board of Trustees, and differs materially from lists previously submitted. The most important change is the retirement of Mr. EDWARD C. CARTER as executive secretary and the appointment of CLAYTON LANE in his place. This publication indicated that LANE had recently retired from the United States Foreign Service after 25 years service in Europe, Africa, Asia and the United States. His service included four years in India as Senior Political-Economic Officer.

Other staff changes during 1948 were the resignation of Mrs. CELESTINE G. MOTT and the appointment of Miss KATHERINE R. C. GREENE as Assistant Secretary and the appointment of LAWRENCE K. ROSSINGER as Research Associate under a special grant from the Rockefeller Foundation.

b7d [redacted] that the IPR would, on March 15th, hold a dinner in honor of EDWARD C. CARTER, for which Ambassador PHILIP C. JESSUP was announced as principal speaker.

## 2. Personnel

[redacted] the administrative staff of the American Institute of Pacific Relations includes among others the following individuals:

RAY LYMAN HILBUR, Chairman  
CLAYTON LANE, Secretary  
DONALD B. STRAUS, Treasurer  
KATRINE E. C. GREENE, Assistant Secretary  
TILLIE G. SHAHN, Assistant Treasurer

The administrative set up of the publication "Survey" included as editor MIRIAM S. FARLEY. The Editorial Board consisted of CLAYTON LANE, LAWRENCE K. ROSSINGER, KATHERINE R. C. GREENE and the Assistant Editor was ELIZABETH CONVERSE.

b7d [redacted] that the 1947 annual dinner held by the IPR was to be at the Waldorf Astoria Hotel on May 7, 1947 in honor of Miss BARBARA WARD. Plans were announced for

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Miss WARD to speak on "The Importance to the United States of the Economic Status of Europe and Asia." Miss WARD was described as Chief Foreign Editor of the "London Economist", a governor of the British Broadcasting Corporation and publisher of "International Share-Out" and "Hitler's Road to Baghdad."

### 3. Finances

In the "News of the IPR", published April, 1949, Volume 1, No. 5, there is published a summary statement of receipts and expenditures, page 16, which is being set out below:

January - December, 1948

Cash Balance, January 1, 1948

\$9,892.35

#### Receipts

Foundations	\$43,000.00	
Memberships	37,670.70	
Special Grants	4,000.00	
Sales of Publications	10,603.39	
Royalties	972.52	
Research Fund - Special Projects	3,668.00	99,914.61
		\$109,806.96

#### Disbursements

Administration	\$39,380.81	
Grant to Pacific Council	9,000.00	
Research	1,577.07	
Local Meetings and Study Groups	205.92	
Library Services	1,163.78	
Services to Members	4,763.87	
Washington Office	1,920.66	
Far Eastern Survey	17,932.45	
Publications	3,373.63	
Promotion	1,607.97	
Research - Special Projects	3,695.50	84,621.66

Cash Balance, December 31, 1948

25,185.30  
\$109,806.96

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### III. PUBLICATIONS

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[REDACTED]

b7d

[REDACTED]

#### 1. "Pacific Affairs"

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[REDACTED] that "Pacific Affairs" was published during 1946 by the Institute of Pacific Relations, 1 E. 54th Street, New York City. The editor; PHILIP E. LILIENTHAL. The business manager; HELEN SCHNEIDER. This periodical was published quarterly at 8 W. 6th Street, Richmond, Virginia.

The Institute of Pacific Relations is an unofficial and non-political organization, founded in 1925 to facilitate the scientific study of the peoples of the Pacific area. It is composed of autonomous National Councils in the principal countries having important interests in the Pacific area, together with an International Secretariat. It is privately financed by contributions from National Councils, corporations, and foundations. The Institute, as such, does not advocate policies or doctrines and is precluded from expressing opinions on national or international affairs. It is governed by a Pacific Council composed of members appointed by each of the National Councils.

#### Pacific Council

R. J. F. BOYER (Australia)  
Capt. R. G. CAVELL (Canada)  
HU SHIH (China)

PAUL EMILE NAGGIAR (France)  
F. H. VISMAN (Netherlands-Netherlands Indies)

G. R. FOWLES (New Zealand)  
CONRAD BENITEZ (Philippines)  
E. ZHUKOV (U.S.S.R.)  
Sir ANDREW MC FADYEAN (United Kingdom)  
ROBERT C. SPROUL (United States)

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Committee Chairmen

Chairman:  
Vice-Chairmen:

Chairman, Finance:  
Chairman, Research:  
Chairman, Programme:  
Vice-Chairman, Research:

~~P. E. CORBETT~~  
~~R. J. E. ROYER~~  
~~CHIANG MON-LIN~~  
~~F. H. VISMAN~~  
~~E. ZHUKOV~~  
~~EDWARD C. CARTER~~  
~~SIR GEORGE SANSON~~  
~~GRAYSON KIRK~~  
~~J. J. L. DUJVENAK~~

National Councils

Australian Institute of International Affairs  
Canadian Institute of International Affairs  
China Institute of Pacific Relations  
Comite d'Etudes des Problemes du Pacifique  
Netherlands - Netherlands Indies Council, Institute of Pacific Relations  
New Zealand Institute of International Affairs  
Philippine Institute of Pacific Relations  
Royal Institute of International Affairs  
U.S.S.R. Council, Institute of Pacific Relations  
American Council, Institute of Pacific Relations  
International Secretariat and Publications Office, 1 E. 54th Street,  
New York 22, New York.

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2. "News of the IPR"

b7d [REDACTED] the IPR annually publishes the above captioned periodical. This pamphlet contains a list of achievements, policies and expected attainments, together with staff and personnel changes and a complete list of the Board of Trustees of the IPR. This periodical also contains general information concerning branches of the IPR both in the United States and Hawaii and gives a summarized accounting of their financial status for the past year. Inasmuch as this publication is merely a summation of the objectives attained by the "Far Eastern Survey" and has no specific separate editorial policy of its own, no summarization of the contents of this publication is being set forth.

3. "Far Eastern Survey"

There follows a review and summary of all available issues of the "Far Eastern Survey" since January, 1948, through June 15, 1949. The titles and authors of the main featured articles are listed, as well as any further pertinent reviews or articles included in these issues:

January 28, 1948.

"Land Redistribution in Korea", by SHANNON MC CUNE, Chairman of the Department of Geography, Colgate University. This article dealt in great detail with the contrasts in the different systems utilized by the United States and the USSR in redistributing confiscated lands in the Russian-occupied and American-occupied sectors of Korea.

This issue of the "Far Eastern Survey" contained a book review of "The Collected War-time Messages of Generalissimo Chiang Kai-Shek", which was reviewed by ARDATH W. BURKS, School of Advanced International Studies.

May 5, 1948.

"The Cold War: Korean Elections", by YONGJEUNG KIM, President of Korean Affairs Institution, Washington, D.C. This article was a detailed discussion of the various factors affecting the proposed elections in Korea and the possible effect on Soviet-American relations and United Nations prestige. It reached the conclusion that part of the extreme Right Wing element, led by Mr. KIM KOO and part of the Moderate element, led by Dr. KIM KIU-SIC, and the Communist minority were opposed to the election as sponsored and supervised by the U.N. and the United States to establish a unified national government.

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After discussing at length the various factors which might have a bearing upon the outcome of such election, the article concluded, "Will the United States be willing to support an ultra reactionary Korean Government if it wins the election? To give aid would be tantamount to approval; to withhold it would be to invite Communist domination from the north."

In the same issue, "Burma's Communists", by VIRGINIA THOMPSON appeared. This article was a summary of the various clashes between the two factors; the Anti-Fascist People's Freedom League (AFPFL) which dominates the Burma Government and its erstwhile allies — the mutually hostile and more radical Communist parties. The various issues over which the two groups will clash are youth movements and governmental officers. The author stated, "Since the traditional conservative politicians have been eliminated from the current Burmese political scene and a new rightist opposition has not yet crystalized, the present struggle in the new-born Asiatic state is clearly between the two leftist nationalistic groups which led the independence struggle against both the Japanese and British. Both leftist organizations campaigned for peace and independence, but split because of personal animosity between the leaders when freedom was obtained. A reconciliation was attempted when rightists assassinated seven of the AFPFL ministers, but later broke down. At the present time AFPFL is in power with the Communist Party agitating, trying to get more seats in the Government."

June 2, 1948.

"Impasse in Indo-China." This article was broken into two parts by different authors, giving varying views of the situation. The first is entitled, "Unity of Vietnam" by GEORGE SHELDON, University of Chicago. This article gives different views of the Vietnamese political situation, minimizing the Communists and their part in the government, and stated, "The 'party line' so far as it seems to exist seems to be one of praise for the United States and democratic France."

The second portion of this article was entitled, "U.N. Commission for Indo-China", by JOHN F. EMBREE, U. S. Cultural Affairs officer, Southeastern Asia, presently non-faculty Foreign Area Studies, Yale University. This article advocated arbitration through the United Nations of the internal struggle of Vietnam in order to prevent war.

Also in this issue was "The Korean Election," by ROBERT T. OLIVER, Manager, Washington Bureau of the Korean Pacific Press. This article discussed in a favorable light the recent extremely anti-Communist trend in the national election and predicted that the United States would furnish assistance to Korea against a Communist or Russian attack.

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Also in this issue was the book, "Russia -- A Short History," by HELEN GAY PRATT and HARRIET L. MOORE. The book was favorably reviewed by ERNEST C. ROPER.

July 28, 1945.

"A Revolutionized Kuomintang," by FRANZ MICHAEL, Assistant Director of Far Eastern Institute and Professor of Far Eastern History at the University of Washington. In discussing the conflict within the Nationalist Government between the more liberal elements and the reactionary ones within the Kuomintang, he characterizes the Communists as "the other final form of Totalitarianism, the Communist black-out of all freedom."

"Soviet Oriental Studies: 1940-1948", by LAWRENCE KADER, Research Associate, Far Eastern Institute, specializing in problems in Russia and Asia. This is a study of various writings of prominent Russians concerning the conflict of Russian and Western ideas, concerning early oriental development, the causes of Russia's participation in World War II, and other topics. The author points out various omissions and deliberate changes which would tend to glorify Russia and the Socialistic way of life. One specific example is the end of World War II without mentioning the use of the atom bomb, in which the finishing blow to Japan was delivered by the Red Army. KADER is highly critical of the above styles of writing and in general of most of the Russian writers and writing.

"The Tokio Trial: Source Material", by JAMES T. C. LIU, Research Associate, Far Eastern Institute, formerly Assistant to Chinese prosecutor in the International Military Tribunal for the Far East. This article contained no pertinent data relative to propaganda, Communism or related matters.

In the same issue appeared the book review of "The Indonesian Story: The Birth, Growth and Structure of the Indonesian Republic," by CHARLES WOLF, JR. WOLF was Vice Consul of Batavia, 1946-1947. This book was published by the American IPR and John Day Company. It was reviewed by PAUL M. KATTENBURG, New Haven, Connecticut, who stated, "WOLF'S discussion of the Dutch-Indonesian struggle is to be praised for its objectivity and balance."

"Teaching the World to Read", by FRANK C. LAUBACH, was reviewed by JOHN de FRANCIS, Johns Hopkins University.

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September 8, 1949.

"The Korean Situation", by GEORGE M. MC CUNE. This article explains the background and formation of the two existing regimes in Korea. One is "A free enterprise democracy backed by the United States." The other is "A Communist state backed by the USSR." The article endeavored to explain the sources of conflict between the ideologies.

Another article in this issue was "Philippine Mines: Recent Progress", by WILLIAM F. BOERICK, Chief Evaluation Engineer, Philadelphia Bureau of Mines.

"South Korean Constitution", by PAUL S. DULL, Assistant Professor, Political Science and History, and Coordinator of the Far Eastern Studies Curriculum, University of Oregon.

The book, "Danger From the East", by RICHARD LAUTERBACH, was reviewed by RICHARD ADLOFF.

September 22, 1948.

"Far Eastern Trade - 1948" by JOHN E. FIELDS. FIELDS is publisher of the "Far Eastern Trader" and is on the President's Staff, University of Southern California. This article gives an objective analysis of all present foreign trade conditions of all the Pacific area, exclusive of Russia.

"Occupation Controls in Japan", by RALPH J. D. BRAIBANTI. BRAIBANTI spent 19 months as military government officer in the East and is now Maxwell Fellow in Political Science in the Maxwell Graduate School of Citizenship and Public Affairs, Syracuse University. This article contained a view of the internal governmental policies dealing with the administration of Japan since the occupation.

"The White Man's Peace", by NO-YONG PARK, was reviewed favorably by RICHARD J. WALSH.

October 6, 1948.

This issue of the "Far Eastern Survey" was accompanied by a leaflet advertising a new book published under the joint auspices of the IPR and the Royal Institute of International Affairs. It is entitled, "New Paths for Japan", and is written by HAROLD WAKEFIELD.

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This issue featured, "The Economy of Siberia", by WILLIAM MANDEL, who is Hoover Institute Senior Fellow in Slavic Studies, Stanford University. He is the author of the "Soviet Far East" and "An Encyclopedia of the USSR." This article dealt briefly with the development of natural resources and heavy industry within the Soviet Union with particular emphasis on the Urals and Siberia. He cited statistics to show that although the percentage of increase in the above items in Siberia is impressive, actual increase in production is negligible because of the extremely low production previously. He stated that the actual production increase is much more impressive in the more industrial areas where the percentage gain is less but actual productivity in tons of finished material is greater. He discussed in great detail the present (1946-50) five year plan and its progress. He concluded the article by predicting that the USSR will succeed in exceeding the production schedule.

"Economic Stalemate in South China", by JACK JAMES, was contained in this issue. JAMES is a member of the faculty, Lingnan University and United Press Correspondent in Canton, China.

"Japan Re-Enters International Society", by C. I. HSER, Political Section, Chinese Mission in Japan, was also contained in this issue.

"Insect Control in Micronesia", by E. H. BRYAN, JR. BRYAN is officer of the Pacific Science Board and prior to that was member of Research Section of the Economic Survey of Micronesia, conducted by the U. S. Commercial Company.

The following books were reviewed in this issue:

"Cultural Institutions and Educational Policy in Southeastern Asia", written by VIRGINIA THOMPSON and RICHARD ADLOFF; reviewed favorably by JOHN F. EMBREE.

"The Essentials of Buddhist Philosophy", by JUNJIRO TAKAKUSU, University of Hawaii; reviewed by A. K. REISEHAUER.

October 20, 1948.

"China Policy and the 1948 Elections", by LAWRENCE K. ROSSINGER. This article explains that although the aid to China program is of comparatively minor interest in the United States in relation to the national election, it would be viewed with much more interest throughout China. The policies of all three parties are stated, which indicate the two major parties are generally agreed as favoring assistance to Nanking and the Progressive Party opposes it.

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"China's New Currency", by J. R. KAIM, Shanghai correspondent for "The Financial Times" and "The Investor's Chronicle", London. This article discussed at great length the economic aspect of the recent conversion of China's currency to a gold-backed yuan.

"Democracy in Southeast Asia", by VIRGINIA THOMPSON. This article explains a race between the Anti-Fascist Peoples Freedom League and its close rival, the Communist Party for the affection of the common people. The article concludes, "But for years to come, the great bulk of the population in Southeast Asia is likely to be little more than a negative factor in the political, social and economic evolution of the area."

December 8, 1948.

"Resurgent Japan: a Chinese View", by JAMES T. C. LIU, Teaching Fellow, Department of History, University of Pittsburgh and formerly serving as Assistant Prosecutor in the International Military Tribunal for the Far East.

"Birth Control in Japan", by NOBUTKA IKE, Lecturer and CHARLES PACK, Fellow at Walter Hines Page School of International Relations, Johns Hopkins University.

"Displaced Europeans in Shanghai", by ELIZABETH W. COPE.

"Outlook for Philippine Fisheries", by ALBERT W. C. T. HERRE, member of the faculty, School of Fisheries, University of Washington, and formerly serving with the Philippine Fishery Program of the United States Fish and Wild Life Services.

It should be noted that the four above articles appear to be factual treatments of general issues with no political propaganda involved.

December 22, 1948.

"The Communist Uprising in Malaya", by IAN MORRISON, Far Eastern correspondent for the "London Times". This article traced the development of the Malayan Communist Party movement through its ascendancy in 1947 until it started gradually to decline during the first part of 1948 through a series of adverse labor decisions. The article explained that the Singapore Police, in a series of raids, broke much of the Communist strength during this period. During the troublesome riots and raids, the Malayan Communist Party received very little spontaneous support. The article concluded,

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"In essence it (the Malayan Communist Party movement) remains the attempt of a small minority, overwhelmingly Chinese and predominantly immigrant in composition, to seize power by force and impose a totalitarian system on the country."

"The New Japan: An American View", by JOSEPH W. BALLENTINE, former U. S. Foreign Service officer.

"Eurasians -- Dutch or Indonesian?", by FRANCES M. FARLE, Associate Professor of Geography at the University of Washington.

The book reviews in this issue include the following:

"The Stilwell Papers," by JOSEPH W. STILWELL

"The Development of Self-Rule and Independence in Burma, Malaya and the Philippines," by JOHN F. CODY and PATRICIA G. BARNETT.

January 12, 1949.

This issue announced the appointment of a new editor, MIRIAM S. FARLEY, to the staff of the "Far Eastern Survey". The articles in this issue were "Economic Aid to China", by HARLAN CLEVELAND, Director of the China program, Economic Cooperation Administration.

"The Japanese in Brazil", by EMILIO WILLEMS, member of faculty of the University of Sao Paulo.

"The Future of Japanese Shipping", by DANIEL MARY, JR., Professor of Economics, Dartmouth College.

The book reviewed in this issue was "New Paths for Japan", by HAROLD WAKEFIELD, and it was reviewed by HAROLD S. QUIGLEY, University of Minnesota.

January 24, 1949.

"The Shadow of the Open Door" by PAUL H. CLYDE.

"Japan's New Police Law", by RALPH J. D. BRAIBANTI.

Three books were reviewed: "MacArthur's Japan", by RUSSELL BRINES; "Eastern Asia", by THOMAS E. ENNIS; and "Adat Law in Indonesia", by B. ter HAAR.

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February 9, 1949.

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✓ "The Setting of Far Eastern Policy", by ROBERT J. KERNER, Sather Professor of History and Director of Institution of Slavic Studies, University of California. The article discussed the internal situation in China and the Chinese Communists. It is highly critical of Russia, her foreign policies and all Communist Parties operating outside Russia with Russian support and guidance. It also explains in detail the various changes in the Communist Party policy in the United States during the time of the Potsdam Agreement and immediately thereafter. This included the expulsion of EARL BROWDER, who advocated cooperation between the United States and the USSR. The article quoted STALIN as saying at Potsdam, "A freely elected government/any of these countries (neighbors of the Soviet Union) would be anti-Soviet and that we cannot allow."

"American Responsibility in China", by WOODBRIDGE BINGHAM, Associate Professor of Far Eastern History, University of California. BINGHAM advocates granting of financial aid to "Middle-of-the-Road" groups in China, but none to either extreme right or extreme left groups. He predicted that the "Middle-of-the-Road" group would be the only one in China who could possibly defeat the Communists.

"Bulk Purchase Agreements", by J. B. CONDLIFFE, Professor of Economics and Director of the Institute of Economics, University of California.

February 23, 1949.

224-000-892  
"America Loses Chinese Good Will", by DOROTHY BORG, Correspondent for "Far Eastern Survey", and author of "American Policy and the Chinese Revolution." This article indicates a growing resentment towards the United States because of the inefficient disposition and insufficient quantities of American aid to China.

"Resistance in Indonesia", by GEORGE M. C. T. RAHIN.

March 9, 1949.

"India's Merchant Marines", by H. M. TRIVEDI, U. S. representative of Scindia Steam Navigation Company.

"The Social Sciences in Japan", by DEIMER M. BROWN, Assistant Professor of History, University of California.

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"The South Pacific Commission", by W. D. FORSYTH, Secretary General of the South Pacific Commission.

This issue contained a review of the book entitled, "Economic Survey of the Far East", which was written by the Economic Commission for Asia and the Far East.

March 23, 1949.

This issue was accompanied by a leaflet which advertises "Prospects for Democracy in Japan", by T. A. BISSON.

"Asia and Truman's Fourth Point", by EDWIN F. REUBENS, Assistant Professor, Department of Economics, Cornell University. This article concludes that the immediate effectiveness of American economic aid is necessarily more limited in Asia than in Europe but suggests a long term approach whose scope might far out-strip the Marshall Plan.

"China's Post War Libraries", by GUSSIE ESTHER GASKILL, Curator, Wason Collection on China at Cornell University Library.

The books reviewed in this issue were "Anatomy of Paradise", by J. C. FURNAS; "Colonial Policy and Practice", by J. S. FURNIVALL; and "Americans from Japan", by BRADFORD SMITH.

April 20, 1949.

This issue on the front page of the publication contained an article entitled, "Memorandum from the Editors", setting out the purposes for publishing the periodical and restating their position of not endorsing any political view or policy.

"Constitution-Making in India", by HOLDEN FURBER, Assistant Professor of History, University of Pennsylvania. This article predicted that the Indian statesmen would plan a strong centralized government to prevent internal disorder plus a strong Bill of Rights, to protect the citizen.

"China Outlook: A Business View", by RANDALL GOULD, Editor of "Shanghai Evening Post and author of "China in the Sun". This author believes that the American businessman in China will adopt the attitude that business conditions under the Chinese Communists would not be much worse than they were under the Nationalist Government and that all would desire to carry on business as nearly as possible as in the past.

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"Rice in the Far East", by HARRY G. CLOWES, Chief of Rice Section, Distribution Division of Food and Agricultural Organization.

This issue contained reviews on "Agrarian Forest in Southeast Asia", by ERICH H. JACOBY; and "The Chinese Kinship System", by HAN-YI FENG.

May 4, 1949.

"Philippine Financial Policies", by JAMES J. HALSEMA, Student at School for Advanced International Studies, Washington. This article concluded that the Philippines at present have a balanced budget and a dollar surplus, but may in the future need American help for development of backward areas.

"Problems in Japan's Economic Recovery", by ROBERT W. BARNETT, advisor to the Director of the Office of Financial and Development Policy of the Department of State, and Economic Advisor to the Chairman of the Far Eastern Commission.

"The Fulbright Act in Operation", by ISABEL AVILA MAURER, Accounting Chief, Southeast Asia Section of the State Department's Program of Overseas Information and Education Exchange.

This issue contained an unfavorable review of "Mirror for Americans: Japan", by HELEN MEARS. This reviewer was of the opinion that this book reflected a very short-sighted attitude and that the author was not thoroughly cognizant of the material which she tried to put across.

May 18, 1949.

"The Tokyo War Crimes Trial", by A. S. COMYNS-CARR, member of the British Prosecution Staff at the Tokio War Crimes Trial.

"The Anatomy of Hongkong" by E. STUART KIRBY, lecturer in Economics at the University of Hongkong.

"Resettlement of Japanese Americans", by ELMER R. SMITH, Assistant Professor of Anthropology at the University of Utah. This was concerned with the rehabilitation of Japanese-Americans who were displaced during World War II.

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June 1, 1949.

"Trade Prospects in China", by J. R. ~~KAIN~~. The article reflects that, "American suppliers are not black-listed, they may lose their lead in China Trade if Communists cannot get dollars for basic materials." "Trade advantages will be sought in countries where political disadvantages may be avoided."

"The Philippine Rice Problem", by J. E. ~~SPENCER~~, Assistant Professor of Geography at the University of California, Los Angeles.

"Administrative Merger for Papua and New Guinea", by ELIZABETH CONVERSE.

This issue reviewed the following books:

"Out of Exile", by SAITAN SJAHRAR.

"Way of a Fighter", by CLAIRE LEE CHANNAULT.

"Social Forces in Southeast Asia", by CORA DU BOIS.

"The Big Circle", by HO UNG-CHI.

"Popcorn on the Ginza", by LUCY HERNDON CROCKETT.

June 15, 1949.

"The Japanese Exchange Rate", by ORVILLE J. ~~MC DIARMID~~, Accounting Assistant Chief, Director of Financial Affairs, Department of State.

"Social Welfare in Southeast Asia", by VIRGINIA THOMPSON and RICHARD ADLOFF.

"Outer Mongolia's Five-Year Plan", by WILLIAM MANDEL. This author stated that accurate material was not available and accurate observations could not be planned inasmuch as all sources quoted by him were of a necessity attributed to Russian publications based on Mongolian Government sources. He stated, "The Party in power at Ulan-Bator has stated officially that its ultimate aim is Socialism ~~on the~~ Russian model, although, not even the <sup>new</sup> 5 year plan envisages either large scale land settlement or collectivization." He quoted statistics to show progress made in Mongolia since 1924 and most particularly, since the inauguration of the five year plan in 1947.

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IV. REORGANIZATION AND EVIDENCES OF CHANGE IN POLICY

b7d [REDACTED] that from a review of the aforementioned publications, a general change in the contents of the articles away from a decided left wing trend towards a more conservative and in some cases anti-Russian attitude, has been noted.

CLAYTON LANE

On October 26, 1948, Mr. CLAYTON LANE, Executive Secretary of IPR, furnished to this office a leaflet entitled, "American IPR, Inc.," which gives a brief statement concerning the IPR and its publications.

On October 26, 1948, CLAYTON LANE personally appeared at the New York Office in order that he might state for record purposes the present status of the Institute. LANE advised he was appointed Director on October 1, 1948, after EDWARD CARTER was requested to resign, due to his attitude towards Russia, which was influenced by his friendliness with people. [REDACTED]

1  
b7c  
1 [REDACTED]

LANE went on to explain that FREDERICK V. FIELDS has also been "eased out" of the Institute due to his writings outside the work he did for the Institute.

Mr. LANE declared he wished to make it a matter of record that he is very anti-Communist as is the present Board of Trustees at the IPR, and that it is his determination that any individual or individuals who have Communist leanings and are with the IPR, will be dismissed. It is his contention that he will build up the membership and finances of the Institute in order that people who are interested in Asia will have a legitimate and authoritative source of material.

Mr. LANE expressed his intention of assisting the Bureau in whatever way he could in the future. It might be noted that Mr. LANE appears in "Who's Who in America, 1946-1947", page 1346, wherein it is set forth that he was in the U. S. Foreign Service as an officer in Berlin, Vienna, Warsaw, Johannesburg, Calcutta, Beirut and Damascus and has been a delegate to various international conferences.

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At the time of this interview, Mr. LANE furnished a copy of a letter which he had directed to "Counter Attack", 55 W. 42nd Street, New York City, in which he takes issue with Mr. KIRKPATRICK of that organization on charges that the IPR is a pro-Communist Front. Parts of Mr. LANE'S letter are quoted hereinafter:

"I fully share the strong aversion to Communism expressed in 'Counter Attack' and your belief that Communist activities everywhere should be exposed when not readily apparent and understood by all Americans, and opposed whenever they threaten the security or vital interests of the United States".

"It may be helpful in this connection to remind you that this Institute exists not to oppose or to support preconceived policies or ideas, but to issue so far as possible competent presentation and analyses of facts in order that the truth may be found through selection."

"I am aware of the risk as well as the right of free speech in the present international tension and have carefully examined all charges of bias in the treatment of various subjects by writers for the American IPR. Many such charges refer to 'Survey' articles on China. On that very complex subject, there are many diverse views of equal or comparable authority and sincerity. Many experts do not now hold sympathetic or tolerant views on the Chinese Communists which they expressed a year or more ago. In the future we shall take special pains to use balance and competence in articles on China, Japan and the Philippines, for example, but no amount of care will guarantee that everyone will be satisfied. We may not always obtain just the article we want or when we would best like to have it to assure short term balance."

"The editor and I will approve nothing for publication which seems to us likely to give aid and comfort to any enemy of the United States, or to be provocative to no good purpose."

"You are concerned with exposing what Communists in Soviet Russia are doing. That is necessary, but it should by now have become incidental to an effort to discover what answer to Communism will be given by the Western World, particularly by the United States. I propose to see what this institute can do about that regarding Asia. Our inquiries will be more concerned with finding that answer than with sparing the feelings of the timid. Disclosure and protest is not enough. We Americans must somehow find the

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"positive answers to Communism. If we do not find them and apply them effectively in Asia, the Russians may eventually have most of it securely on their side with great hazard to us. Food and guns have not provided the answer in China. Perhaps much more of both would not have provided it. Your emphasis is on defeating the Communist and Soviet purposes in the United States. Our emphasis will be on Asia, with the same end in view."

"As BARBARA WARD says, 'Successful Communist propaganda is far more a fruit of Western failure than of Soviet effort.' Like an infection, Communism seeks out the infected patches, destitution, bad race relations, injustice, hopelessness - and there it can settle and ferment. The healthy community has nothing to fear."

"We blocked the Russians in Europe by taking the initiative away from them, showing that democracy can be positive. We must have a positive program in Asia. This institute is not a policy planning organization. It is reputed, however, to have provided more materials on which to base policy in Asia than any other organization in the world. It will continue to provide them. The Department of State particularly wants us to."

On December 9, 1948, Mr. LANE furnished this office with a copy of a circular letter sent to the chairman and trustees of the American IPR, on November 30, 1948. This letter contained an account of the criticism of the IPR by "Counter Attack" and the substance of Mr. LANE'S reply to Mr. KIRKPATRICK of "Counter Attack".

The letter said, "This matter is being brought to the attention of the trustees, chiefly because some of them are so loyal to the American IPR that they have perhaps underestimated the necessity to make an end of a kind of criticism which has vitally affected the usefulness of this Institute and has seriously raised the question whether it can survive such loyalty, and the reasons for it in the record of IPR accomplishment in the past are the constant inspiration to many. I am very glad to report that it is now favored by many persons who had waived because of charges such as those in 'Counter Attack' or their own similar conclusions about the American IPR, quite apart from such charges. The outlook is encouraging, but it is clear that cause for fresh criticism of the kind hitherto made must be very carefully avoided. There will always be critics of any objective and courageous organization that seeks the truth and lays it on the line. We must, however, avoid grounds for argument that we are not practicing the objectivity we profess, and keep in mind the extreme delicacy of some controversial questions which demand attention in our publications. It is particularly gratifying to report to you that

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I am receiving very marked cooperation from officers of the Department of State and others in Washington concerned with Asia. Their emphasis on the importance of continuing the traditional work of the American IPR is strong and explicit. Areas and topics of research have been fruitfully discussed with them. Strong criticism of the Institute in the State Department has given way to a very different atmosphere. I shall continue to give this very important contact my personal attention."

Mr. LANE also furnished a copy of a circular letter directed by him on November 12, 1948 to all members of the American IPR and subscribers to the "Far Eastern Survey". Pertinent portions of this circular are quoted:

"This issue (December, "Far Eastern Survey") typifies a basic service of the IPR, the objective presentation of authoritative opinions on the Far East. The Institute itself expresses none. The paper's mast-head states in each issue that the American IPR does not express opinions on public affairs and that responsibility for statements of fact or opinion appearing in the 'Far Eastern Survey' rests solely with the author. Our responsibility is to assure that such statements are from competent sources and that objectivity is maintained through balanced presentation of views in a reasonably broad cross section of our publications.

"Because they have sometimes not agreed with the facts, and interpretations presented in 'Survey' articles, some critics who would prefer to see social changes ignored have charged that the entire IPR is excessively radical in attitude. This criticism, when carried to extremes, reflects a miscomprehension of our function; a denial that it is a legitimate function or an effort to discredit the entire IPR in order to suppress the organizational publication of views with which they do not agree. We are dealing with an area in which revolution is rampant and the whole social order is changed. Articles on such an area and its problems are bound to be explosive at times because they discuss events and ideas about which reasonable people will may differ."

"Some 'Survey' writers have pointed out at various times that social progress and political stability in various countries of Asia require basic, economic and administrative reforms. When reforms are advocated by Communist in China for example, non-Communists who may advocate similar ones too readily are labeled Communists even though they detest both the principles and practices of Communism. Neither this Institute nor any of its officers advocate or defends Communism or any other form of totalitarianism. We challenge anyone to prove that we do.

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"One of our most conservative trustees says, 'the IPR would have no reason for existence if we did not discuss complex subjects.' One eminent Asian who has attended IPR international conferences and who reads the 'Survey' recently said that the IPR's greatest function is to provide a volume for competent advocates of diverse views about Asia."

"At the same time, MR. LANE furnished this office with a copy of a letter he had directed to a Mr. ALFRED KOHLBERG on November 18, 1948.

"Dear Mr. KOHLBERG,

"Since I called on you last month, shortly after taking over as Executive Secretary of this Institute, I have given very careful consideration to your charges and misgivings about the American IPR, so far as they refer to the present and the recent past. As I assured you then, I fully share your aversion to Communism and your concern for the security of the United States. I have not found it possible, however, to share your impressions about the purposes and practices of this Institute.

"I do not wish to enter into any controversy on the matter, nor will I do so. My concern is with the present and future of an organization for which I have great respect and with which I am very glad to be identified in a responsible position. My inquiries have been broadly based and I think they have been thorough. They have encountered some criticism of the American IPR but have disclosed no basis for wholesale condemnation of this Institute in the terms you have sometimes used. Like myself, some persons consulted disagreed with one or another writer of an article or book published by the IPR, or with views orally expressed by someone formerly in an administrative position. That does not distress me, for I sometimes feel that way myself about articles or editorials in reputable magazines and newspapers to which I continue to subscribe year after year because I want to read a variety of views, particularly on complex or controversial questions. In my former profession that was very necessary. I think it is for any American citizen.

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"In our conversation last month we discovered such a wide area of agreement about Communist and Soviet Russian purposes that I am very sorry we do not agree about the IPR. I enclose for your information a copy of my first informal and personal letter to members of the American IPR and subscribers to the Far Eastern Survey. It states in part my understanding of why the Institute exists and should continue to exist. I also enclose a copy of a letter to the publisher of 'Counterattack.'

"Please accept my thanks for your good wishes for my success in assuring a useful future for this Institute. I have not written you sooner because I have taken the time necessary to give your views full consideration and to check them and my own with the opinions of many persons qualified to judge both the proper function of this Institute and the competence and loyalty of the staff and of writers now associated with it.

"I face many challenging tasks in my new job, but I shall meet them, to the best of my ability, in full confidence that the special function of the IPR is more significant than it ever was before.

"In my letter to members and Far Eastern Survey subscribers, I have asked for comment and counsel. They will be just as welcome from any other quarter, particularly from former members."

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ADMINISTRATIVE PAGE

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Mr. LOUIS BUDENZ, former managing editor of the "Daily Worker", on April 22, 1948, stated, "EDWARD C. CARTER was certainly under Communist Party discipline. I recall JACK STACHEL, member of the National Board of the Communist Party, saying that 'because the Russian War Relief Program is not going right, we will have to order CARTER to realize his responsibility and continue his job. He is not running a community fund; he will have to live up to his Party responsibility.'"

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## OFFICE MEMORANDUM

UNITED STATES

TO : Mr. Ladd

November 22, 1949

FROM : Mr. Rosen

b7c  
SUBJECT: [REDACTED]

EUROPEAN RECOVERY PROGRAM

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3/2/83 BY SP6BJA/CJS

b7c  
Mr. J. J. Baumgardner of the Security Division has received a letter from Clayton Lane, Executive Secretary of the Institute of Pacific Relations, in which he complained of two interviews which were conducted in connection with the investigation of [REDACTED] under the European Recovery Program.

You will recall that Mr. Lane had appeared at the Bureau on September 15, 1949, at which time he was interviewed by Mr. Baumgardner and Special Agent Scatterday. At that time Lane said that the Institute of Pacific Relations had received a great deal of adverse publicity and that charges had been made that the organization was a Communist front. He said that these charges were due to the fact that several of the individuals associated with it were "left-wingers." Lane said that he had weeded out all these individuals and hoped to make the organization an impartial one devoted exclusively to research on matters concerning the Far East.

The two interviews to which Lane referred in his letter will be treated separately.

b7c  
INTERVIEW WITH [REDACTED]

The first interview to which Lane refers has been identified as that with [REDACTED]. Concerning this interview Lane wrote, "I am, therefore, emboldened to learn on good authority that about the middle of May this year one of our Agents, during a call in New York on [REDACTED] of the E.C.P., not only asked leading questions about [REDACTED] reflecting marked prejudices, but gratuitously asserted that the Institute of Pacific Relations required all its employees, and all applicants for employment, to be members of the Communist Party. I am reliably informed that your Agent said, on that occasion, that the entire Institute of Pacific Relations personnel are in fact Communists."

We have received a signed statement from SA [REDACTED] of the New York Division, who conducted the interview with [REDACTED]. This statement is attached. SA [REDACTED] categorically denies Lane's allegations. He stated that [REDACTED] told him that she had heard reports to the effect that the Institute of Pacific Relations was run by Communists and asked if these reports were true. Agent [REDACTED] replied to [REDACTED] that he was in no position to affirm or deny the reports. [REDACTED] also asked if the Chinese Communists were controlled by the Soviet Union. The Agent replied that he was in no position to answer this question.

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Attachments: [REDACTED]

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EX-5.

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Memorandum to Mr. Ladd

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b7c It is inconceivable that Agent [redacted] or any other Agent, would make the statements attributed to him in Lane's letter.

b7c [redacted]

b7c INTERVIEW WITH [redacted]

The other interview to which Lane refers has been identified as that with [redacted]. Concerning this interview Lane wrote, "I must also inform you on excellent authority that when an FBI Agent called on a trustee of this Institute in Spokane, his clearly apparent desire to hear only adverse comment on [redacted] relative to this Institute, caused our trustee to terminate the conversation."

SA [redacted] of the Seattle Division, who conducted this interview, has also given a signed statement which is attached. Agent [redacted] stated that he asked [redacted] his opinion of the applicant's character, loyalty and associates and if he knew of any information which would make [redacted] unsuitable for Government employment. [redacted] then related the information which Agent [redacted] included in the investigative report. This report indicates that [redacted] said that in his opinion [redacted] was a loyal American who had been a trust administrator and had a very clean mind.

[redacted] He advised that he knew nothing that would reflect on [redacted] patriotism and he knew of no derogatory information concerning [redacted] loyalty to the United States. Agent [redacted] stated that the interview was brief since [redacted] was a busy man and that it was terminated on a friendly basis.

[redacted] and there is no reason to doubt his statement.

b7C copy

Memorandum to Mr. Ladd

19340

b7C

INSTITUTE OF PACIFIC RELATIONS

The Institute of Pacific Relations, according to Lane himself, has received a great deal of adverse publicity in the past because several of the individuals connected with it were "left-wingers". The IPR was closely allied with "Amerasia". The two organizations occupied the same building and many members of the Editorial Board of "Amerasia" were officers or employees of IPR.

CLAYTON LANE

Lane became the Executive Secretary of the Institute of Pacific Relations on October 1, 1948. He is a retired Foreign Service Officer of the State Department. Since his affiliation with the Institute of Pacific Relations, Lane on several occasions has tried hard to convince the Bureau that he is very anti-Communist, that he intends to weed out the Communist element from the Institute of Pacific Relations. In one of his letters to the Bureau dated November 12, 1948, he praised Edward C. Carter, the former Executive Secretary of the Institute of Pacific Relations. Carter, incidentally, has been reported to have been under Communist Party discipline while with the IPR.

b7C

It would seem probable that this is the Clayton Lane who is now Executive Secretary of the IPR.

Office A

UNITEI

GOVERNMENT

TO : MR. H. B. FLETCHER *MB*  
 FROM : MR. F. J. BAUMGARDNER *MB*  
 SUBJECT: INSTITUTE OF PACIFIC RELATIONS  
 INTERNAL SECURITY - C

DATE: September 26, 1949

PURPOSE

To advise you of an interview with the Secretary of the captioned organization.

DETAILS

On the morning of September 15, 1949, by reference from the Director's Office, I interviewed Mr. Clayton Lane, Secretary of the Institute of Pacific Relations, in the presence of Special Agent [REDACTED] *b7C*

Mr. Lane, who was for many years an official of the State Department principally assigned to the Far East, advised that he had previously called at the New York Office in order to record the fact that he was the new Secretary of the IPR and to furnish the New York Office with his views concerning the organization. He stated that his call at the Bureau was to again make clear his future plans for the organization.

Mr. Lane stated that in the past the organization had received a great deal of adverse publicity and charges had been made that the group was a Communist front. These charges were due to the fact that several of the individuals associated with the organization were "left wingers." According to Mr. Lane, he has weeded out all such individuals in position of authority and hopes to make the organization an impartial one devoted exclusively to research on matters concerning the Far East.

G. I. R. -7

The information he furnished concerning the IPR and his stand concerning it has previously been reported by the New York Office and is on record at the Bureau. The present interview was on very general terms and it is felt that Mr. Lane realizing the charges which have been made in the past against the IPR desired only to have his views and future plans on record at the Bureau, feeling that perhaps the Bureau might have received information concerning the Communist infiltration of the group.

No information was furnished to Mr. Lane.

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 CC: File No [REDACTED] *b7C*

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 DATE 3/6/83 BY SP6BAC/CS

Mr. Tolson ✓  
 Mr. E. A. Tamm ✓  
 Mr. Clegg ✓  
 Mr. Glavin ✓  
 Mr. Ladd ✓  
 Mr. Nichols ✓  
 Mr. Rosen ✓  
 Mr. Tracy ✓  
 Mr. Egan ✓  
 Mr. Gurnea ✓  
 Mr. Harbo ✓  
 Mr. Mohr ✓  
 Mr. Pennington ✓  
 Mr. Quinn Tamm ✓  
 Tele. Room ✓  
 Mr. Nease ✓  
 Miss Holmes ✓  
 Miss Gandy ✓

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b7C

Several times during the interview, Mr. Lane brought up the matter of an individual by the name of [REDACTED] whom he stated he had known for many years and in whom he had the greatest faith and whom he knew to be anti-Communist. Lane stated that [REDACTED] had formerly been with the State Department and more recently with ECA, but that recently [REDACTED] had been called in by ECA security officers and discharged. According to Lane, [REDACTED] of ECA had stated that [REDACTED] discharge was based solely on his past association with the IPR. Lane expressed the opinion that [REDACTED] should be discharged for discharging [REDACTED]. He was advised that the Bureau had no jurisdiction over such matters and that it was a matter to be handled entirely by ECA.

b7C

[REDACTED]

ACTION

None. This memorandum is compiled only to record the above interview.

*DMH*  
✓ *Shw*

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SAC, New York

December 27, 1949

Director, FBI

INSTITUTE OF PACIFIC RELATIONS  
INTERNAL SECURITY - C  
Bureau file #100-64700

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## Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. H. B. Fletcher  
 FROM : F. J. Baumgardner  
 SUBJECT: INSTITUTE OF PACIFIC RELATIONS  
 INTERNAL SECURITY - C

DATE: November 16, 1949

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P. Rosen  
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 Nease \_\_\_\_\_  
 Gandy \_\_\_\_\_

There is attached hereto a self-explanatory letter addressed to me under date of November 14, 1949, from Mr. Clayton Lane, Secretary of the Institute of Pacific Relations.

b7C

On September 15, 1949, Mr. Lane was interviewed by Special Agent [redacted] and myself at the Bureau, at which time he stated that he was newly appointed as the Secretary of the IPR and that he wanted to furnish the Bureau with his future plans for the organization. He was concerned because of the adverse publicity which had previously been made against the IPR to the effect that the group was a Communist front. He said that since his appointment as Secretary that all "left wingers" who had held positions of authority had been weeded out and that he hopes to make the IPR an impartial organization devoted exclusively to research on matters concerning the Far East. A copy of my memorandum concerning the interview with Mr. Lane is attached.

b7C

With respect to Mr. Lane's communication to me, he has alleged that in connection with an ECA investigation of [redacted] that an Agent who interviewed [redacted] had asked leading questions and made statements to the effect that the IPR requires its employees to be members of the Communist Party. He further stated that when an FBI Agent called on a trustee of the Institute in Spokane his clearly apparent desire to hear only adverse comment on [redacted] relative to the IPR, caused the trustee to terminate the conversation. [redacted] concluded by stating, "The focus now shifts to the FBI."

ACTION:

Inasmuch as [redacted] allegations pertain to an investigation handled in the Investigative Division, it is suggested that this memorandum be routed to that division for appropriate attention.

b7C FJB

Jul 6 7M + Seattle  
 11/17/49 Cmsd

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PERS FILES

AMERICAN INSTITUTE OF PACIFIC RELATIONS, INC.

1 EAST 84TH STREET, NEW YORK 22, N. Y. KLDORADO 8-1750

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DATE 3/16/83 BY SP6BPA/CLO

November 14, 1949

108120

Dear Mr. Baumgardner,

b7C  
You will recall our conversation in Washington a few weeks ago, when I called to inform you of my views on the purposes of this Institute, relative to criticism of its activities and of some persons connected with it. At that time, I told you that shortly after taking charge here, in October 1948, I had called on Agent [redacted] at Foley Square, when I gave him an oral statement and relevant material for his files, with duplicates for your office in Washington. At no time have my assurances to the F.B.I. been contested or questioned directly to me by any officer of your Bureau. I was, in fact, confident that you and your colleagues had found no reason to doubt my statements.

b7C  
I am, therefore, shocked to learn on good authority that about the middle of May this year one of your agents, during a call in New York on [redacted] of the E.C.A., not only asked leading questions about [redacted] reflecting marked prejudice, but gratuitously asserted that the Institute of Pacific Relations requires all its employees, and all applicants for employment, to be members of the Communist Party. I am reliably informed that your agent said, on that occasion, that the entire Institute of Pacific Relations personnel are in fact Communists.

b7C  
Such assertions by an F.B.I. agent are not only gratuitous and irresponsible, they are false. They were made some months after my call on Agent [redacted]. The situation your agent described as fact did not exist at the time he said it did; I am certain with very good reason that it never did exist at any time.

I must request that you investigate this matter and give me your version of it. Pending receipt of your reply I shall take no further action.

b7C  
I must also inform you on excellent authority that when an F.B.I. agent called on a Trustee of this Institute in Spokane, his clearly apparent desire to hear only adverse comment on [redacted] relative to this Institute, caused our Trustee to terminate the conversation. [redacted] has

40A

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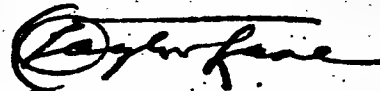
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- 2 -

since been cleared and reinstated in his E.C.A. post. The onus now shifts to the F.B.I.

Sincerely yours,



108121

Clayton Lane  
Executive Secretary

Mr. F. J. Baumgardner  
Assistant Director  
Federal Bureau of Investigation  
Pennsylvania Avenue at 9th Street, N. W.  
Washington, D. C.

CL:rg

Mr. [redacted]

b7c

November 23, 1949

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DATE 3/16/83 BY SP6Bja/Cls

RECORDED - 115

Mr. Clayton Lane  
Executive Secretary  
American Institute of Pacific Relations, Inc.  
1 East 54th Street  
New York 22, New York

Dear Mr. Lane:

Your letter of November 14, 1949, addressed to  
Mr. Baumgardner has been brought to my attention.

The unsupported allegations contained in your  
letter have been categorically denied by the representa-  
tives of this Bureau involved. In the event you possess  
any further information concerning this matter, it would  
be appreciated if such information could be made available  
to this Bureau inasmuch as it is desired to obtain all  
facts concerning allegations of improper conduct on the  
part of any person connected with this Bureau.

Sincerely yours,

J. Edgar Hoover

John Edgar Hoover  
Director

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U.S. DEPT. OF JUSTICE

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F B I  
U.S. DEPT. OF JUSTICE

RECEIVED READING ROOM  
NOV 28 10 49 AM '49

*[Handwritten signatures and initials]*

*(2) Keep New York Office advised to have no contact with Lane 11/27*

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NOV 28 1949  
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60 FEB 21 1950

*Also New York Office advised of this letter 12/1/49*  
*AM 12 11 01 1949*

Office Memorandum

UNITED STATES GOVERNMENT

TO : Director, FBI  
FROM : SAC, New York

DATE: January 31, 1950

SUBJECT: INSTITUTE OF PACIFIC RELATIONS  
INTERNAL SECURITY - C  
(Bureau file 100-64700)

108117

[REDACTED] a notice of the Annual Meeting of Members of subject organization, which is to be held on February 21, 1950 at the National Office, 1 East 54th Street, New York City; contained with the notice of the meeting is the ballot for the election of trustees, listing nominations presented by the National Nominating Committee in accordance with the By-Laws, which trustees are to be elected at the above-mentioned meeting on February 21, 1950. Instant notice has been forwarded to the Bureau for information purposes.

Inasmuch as the election of the trustees will be made on February 21, 1950 and announced after that date this investigation is being held in abeyance until a report on the results of the election is received [REDACTED] and the results will be included in the next investigative report.

Classified  
Declassify on: [REDACTED]

ALL INFORMATION CONTAINED  
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DATE 5/17/83 BY [REDACTED]

ALL INFORMATION CONTAINED  
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WHERE SHOWN OTHERWISE

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EX-103

FEB 1 1950  
FBI  
INTERNAL SECURITY - C

CONFIDENTIAL

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LEAD PAGE

NEW YORK

~~CONFIDENTIAL~~

At New York, New York

Will continue a close supervision of the subject organization's publications for a period of six months, at which time, in the absence of any indication that subject publications are being utilized as a Communist propaganda outlet, this case should be closed.

~~CONFIDENTIAL~~

## Office Memorandum • UNITED STATES GOVERNMENT

TO : Director, FBI  
 FROM : SAC, New York

DATE: February 3, 1950

SUBJECT: INSTITUTE OF PACIFIC RELATIONS  
 INTERNAL SECURITY - C  
 (Bureau file 100-64700)

108115

Transmitted herewith is the January 25, 1950 issue of ~~the~~ for  
Eastern Survey published by subject organization. A photostatic copy  
 of instant issue is being retained as an exhibit in the files of the  
 New York Office. Furnished for information.

Encl. (1)

1 ENCL

EX-103

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 DATE 3/6/83 BY SP6BPK/5

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EX-103

61 GENAS

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100-64700-117

ENCLOSURE



# Far Eastern Survey

AMERICAN INSTITUTE OF PACIFIC RELATIONS

## INDIAN-AMERICAN RELATIONS

THE INDIA-AMERICA CONFERENCE, sponsored by the Indian Council of World Affairs and the American Institute of Pacific Relations, met at Delhi from December 12 to 22, 1949. In attendance were some 75 delegates representing universities, business, the press, and other professions in both countries,<sup>1</sup> who were hospitably entertained by Prime Minister Nehru and many others. The conference was unofficial. Its aim was not

to seek decisions, but to explore and clarify the issues facing India and America. These were discussed in three round tables on (1) political and diplomatic relations, (2) economic relations, and (3) cultural relations. The draft reports by the rapporteurs for each round table, slightly condensed owing to limitations of space, are reproduced below. A full report of the conference will be issued later this year.

### 1. Political Relations

Lawrence K. Rosinger, H. L. Trivedi, Rapporteurs

THE DISCUSSION REVEALED CLEARLY that Indian opinion is far more crystallized than American on questions arising between the two countries. Indian delegates plainly felt that they were reflecting fairly definite segments of politically conscious India, while American delegates frequently referred to the undeveloped state of American opinion on certain specific issues.

1. *Indian and American views of Russia and Communism and the reactions of public opinion in each country to the attitudes of the other.* On this question there were differences in attitude within both delegations. A number of Indian speakers suggested that the American fear of Communism was overdone, or that the basic need was to raise standards of living rather than to approach Communism with force. There was also a suggestion that the United States, in its preoccupation with Communism, had strengthened reactionary governments abroad instead of aligning itself with progressive forces. Several speakers questioned whether the current Soviet-American relationship was not bring-

ing about a suppression of liberal opinion within the United States.

In contrast with the tendency of most Indian speakers not to stress Communism as an issue in India, two members of the group characterized Communist activity in southern India as a great threat. One declared that the world had a simple choice between the bullet and the ballot, that no compromise was possible, and that India must align itself with the United States. In reply another Indian characterized the bullet-ballot dichotomy as an oversimplification. Communism, he declared, has a real moral force which exerts an appeal to the masses, and the economic and social conditions on which this appeal is based must be recognized and dealt with.

Mr. Rosinger is a research associate of the American IPR; Mr. Trivedi is deputy manager of the Scindia Steam Navigation Co.

<sup>1</sup> The aims and composition of the conference were announced in greater detail in the *Far Eastern Survey* of November 16, 1949.

JANUARY 25, 1950 VOL. XIX No. 2

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Conference Report

Indian-American Relations

Political • Economic • Cultural

100-64700-117

Although fewer Americans than Indians spoke on the subject, the interplay of opinion within the Indian delegation was subordinate to the crossweaving of Indian and American opinion. In explanation of American attitudes, one American declared that the prevailing state of mind in the United States was the result of a fear psychology arising in World War II, of efforts by politicians and the press to use anti-Communism for their own advantage, and of a tendency to oversimplify matters by pinning everything on the Kremlin rather than on basic causes. Another speaker remarked that Indian criticism was largely directed at men and elements not present at the conference. He added that as a beginner in world affairs the United States necessarily made mistakes. Some speakers suggested that the picture of repression of liberal opinion in the United States was exaggerated. Others declared that the United States had sought good relations with Russia, but the USSR had been unwilling to cooperate. One stated in the first session that he had heard misconceptions from every speaker on American policy, that the United States had nothing for which to apologize, and that American policy, although not perfect, was pacific. He also stated (as did an Indian speaker) that the press attitudes reflect public opinion. To this another American speaker later replied that the purpose of the press was to make opinion.

### India's "Middle Course"

will be restored on January 1 as the occupation's final major

2. *American opinion on India's "middle course" in foreign policy.* A considerable number of American speakers expressed approval of India's "middle course" policy, giving various reasons, such as the possible effect in promoting world peace, India's natural fear of being dragged into another war by an outside power as in World Wars I and II, the desirability of allowing a young country like India time to make up its mind, and the possibility that coercing India to follow an American line throughout might undermine Nehru's position at home. Other American speakers suggested that a "middle course" might be unrealistic, whatever India's desires, that the United States had tried unsuccessfully and at cost to itself to maintain a middle ground in the past, and that India might suffer if it did not prepare adequately and war suddenly came. On the other hand, two speakers who indicated reservations about, or disapproval of, a "middle course" suggested that India was in fact already aligned at the United Nations, or in principle, with the United States.

Most of the Indian speakers defended the "middle course" policy. Many declared, however, that it did not mean neutrality but independence, or suggested that in the event of a world war India would canvass

the situation and adopt a positive policy. One speaker said that India's present policy resulted from fear of both Russia and the United States; another, that India was afraid of again coming under the domination of a foreign power; and a third, that India avoided joining either the American or the Russian camp because it wished to help generate certain positive forces in the world. Fear of war, India's need to put its own house in order, and the great distance from the United States were cited as additional factors. One speaker expressed the view that the United States had fallen from its high ideals—a statement which was denied from the American side. Another Indian referred to the "middle course" as a policy of "calculated risk."

### Europe or Asia First?

3. *American and Indian views of the priorities in American thinking with regard to Europe and Asia, as well as with regard to the various countries within Asia.* On this question there were many more expressions of American opinion than of Indian. One speaker declared that because of its industry western Europe came first in United States policy, the Middle East second because of its oil, and the Arctic third because of its strategic location, with the Far East ranking below all of these. To this analysis several American delegates added that Japan was a prior commitment. The explanations given of the priority of Europe were mostly strategic, but one speaker held that the United States' present ECA program. Great Britain breaks off relations with

States was better adapted to aiding industrialized than agricultural countries, and another that the reestablishment of the preexisting economy of western Europe was a much simpler problem than that of India, where an economy had to be developed.

It was suggested, also, that uncertainty about the United States' investment position affected the priority given to India, that concern about the failure of policy in China influenced American attitudes toward aid to India, and especially that the American purse was not inexhaustible and the United States could not carry on two major international financial operations at the same time. A few speakers held out the hope of possible American aid to India in the long run. Another American expressed the view that American foreign policy was controlled by the military and big business, and that the Marshall Plan, relying on dead patterns of the past, was a hopeless effort to make good Europe's loss of colonial empire. This speaker suggested that the future security of the United States depended on its policy in the Far East.

Indian speakers did not seem to challenge the American interest in Europe as such, but to advance the idea that "a more balanced view" should be adopted. The East, it was said, was also an area from which Com-

munism should be fought. India presented as a more politically stable area for the United States to base itself on than southeast Asia, or as a better balancing factor than Japan. One speaker declared that India needed help soon and could not wait for long-range help to develop. Another, in a critique of the entire discussion, stated that it was senseless for India to quarrel with American judgments as to what was best for the United States. Because of its weakness, he said, India would have to remain passive, unable to become a strong third force or to have an effective positive policy.

### Attitudes toward Colonial Nationalism

4. *American and Indian attitudes toward nationalism in colonial areas.* Discussion on this subject remained largely on a general level. One American speaker stated that as a whole American opinion was not colonial-minded, and that India's support of colonial nationalism had been favorably received, especially among some of the minorities in the United States. Other American speakers agreed that there was general American popular sympathy for colonial nationalist movements. In addition, some suggested that at certain points official American policy diverged from this popular sentiment. Several Indian speakers declared that the United States was closely tied up with the Western colonial powers. Another said that from conversations with American friends he had the feeling that two contradictory sentiments were at work: the desire to see the British hit hard by someone, and doubt as to whether colored peoples in the colonies were really wise in seeking their freedom. On the other hand, an Indian speaker who strongly supported Indian aid to colonial peoples said he did not know how long India would be consistent in this policy.

5. *Indian opinion about the possibility or desirability of regional groupings in Asia.* A brief canvass of this question, at the suggestion of an American delegate, revealed general agreement among the Indians who spoke that there was no likelihood of regional groupings in the years immediately ahead. One delegate, however, seemed to consider such a development more possible, and an American delegate suggested that there was a desire in southeast Asia for a regional organization separate from both India and China.

6. *Indian and American opinion about the approach of the other country to the United Nations, its specialized agencies, and certain issues before the United Nations, chiefly South Africa, Kashmir, and Hyderabad.* On the general issue there was no extensive discussion. An Indian delegate declared that in economic matters the United States had used the United Nations as an instrument of its own policy or, where it

was unable to do so, created its own agency. To this some American delegates replied that countries making the largest contributions to international organizations naturally want their money to be used for purposes with which they sympathize, and that India and the United States might not be unlike in their desire to use the United Nations for purposes they support.

An Indian delegate declared that during 1946-48 the United States had hindered the United Nations from acting against racial discrimination in South Africa, and that the United States had not given wholehearted support to Indian efforts to tighten up the trusteeship system, especially with regard to Southwest Africa. Several American speakers indicated that much American opinion was in sympathy with India on these questions. Another added the view that there were several public opinions in different parts of the United States, and that the American administration might have felt that it would be embarrassed politically had it taken a forthright position on South Africa, in view of a certain similarity between that country and some areas in the United States.

### Kashmir and Hyderabad

The discussion of Kashmir and Hyderabad, involving little cross-fire of opinion between the delegations, was mostly an exposition of the Indian position by Indian delegates. It was clear that the American group as a whole felt confused by the conflicting claims of India and Pakistan. The general Indian viewpoint on Kashmir was that Pakistan was the aggressor, that India had turned to the United Nations rather than go to war with Pakistan, and that the people of Kashmir should be left free to decide their destiny. The point was also made that rulers of the states had the legal right to decide which way their states could go and that India's acceptance of Kashmir's accession with the proviso that there be an eventual plebiscite indicated India's concern not to go against Kashmiri opinion. Great stress was laid on the independence of Sheikh Abdullah from Indian control and on his popularity and the indigenous character of the movement he heads.

An American delegate explained that Americans knew only that brief news dispatches reported India as rejecting and Pakistan as accepting United Nations proposals. To this Indian delegates replied that India favored a plebiscite and asked only that the conditions set by the United Nations Commission be met. Although Indian delegates did not touch on American policy at any length, dissatisfaction was expressed with the attitude taken by the United States toward the Kashmir problem.

In connection with Hyderabad the statement was

made that India had originally ~~led~~ to the right of the people to decide whether or not to accede to India, that the Nizam had been intransigent because he had overestimated his power, that armed bands from the state had entered India and attacked people, that people going to certain Indian areas which were enclaves in Hyderabad were often detained, beaten or forced to pay ransom; and that under the Nizam Communism has begun to flourish. The Indian government, it was said, had been patient, although Indian opinion had become restive and the Prime Minister had been criticized.

With reference to the Indian states as a whole, one Indian speaker said that India was determined not to allow any Indian state to maintain its independence: a decision would have to be made for either India or Pakistan. To this another Indian added that the people of the states had fought the British, hoping for a united India, and that the Indian government had been dealing not with rulers but with people. The rulers, in fact, had no voice, for the people would have overthrown them if they had not acceded to India.

### Future Political Cooperation

7. *Prospects for future political cooperation between India and the United States.* This question was not subjected to any detailed analysis. An Indian speaker declared that he was more convinced than ever, as a result of the discussion, that cooperation was possible if, for example, American individualism, English democratic socialism and Indian Gandhian socialism could be comprehended in a single front; if the United States gave up its attachment to colonialism; if a harmonious arrangement was made with reference to the vast underpopulated areas of the world which can take more people; if the United States improved the condition of its own colored peoples and India improved the conditions of its Harijans and tribal peoples; and if the United States, which was more in favor of the welfare state in practice than in theory, adjusted itself to the Gandhian approach. Another Indian speaker suggested that the United States is wedded to the balance of power and India to collective security. A third said that both countries support constitutional government and democracy and that cooperation was therefore possible. Economic assistance, he said, would increase the possibilities of political cooperation.

Taking up some of these points, an American delegate said that the United States believed in collective security and the United Nations, but found that at present the United Nations lacked sufficient prestige to provide security, partly because of the veto power. Other American speakers also defended the United

States position. An American delegate expressed the view that the prospects for cooperation were favorable and that both the American and Indian peoples were friendly peoples. The final speaker, an Indian delegate, declared that both India and the United States desired democracy and peace. But, he said, the United States, even though accustomed to a different economy itself, must understand that the people of India demand a planned economy.

### Recognition of Peking Government

8. *Indian and American opinion with regard to recognition of the new Chinese government.* Differences of opinion on this subject revolved largely about the question of timing. There seemed to be fairly wide acceptance of the idea that recognition was ultimately inevitable. A number of speakers stressed the desirability of facing realities in China. There was some discussion of the effect on the balance of power within the United Nations, if representatives of the new Chinese government were admitted to the UN. Some delegates feared that the Soviet position would be strengthened considerably; others held that the question was not of great moment as the current non-Soviet majority in the Security Council would not be affected. One Indian delegate felt that the greater equalizing of Soviet and non-Soviet voting strength in the Security Council might reduce Soviet fears and make Soviet-American agreement more possible. Another Indian speaker, however, thought that the effect would be to make the Soviet Union more determined in its own policies.

As a group, the Indian speakers favored early recognition.<sup>1</sup> Within the American group there were greater divergences. Some Americans held that early recognition might bring advantages in the reduction of Chinese-American tension and that it was highly desirable for the United States to attempt to regain the good will it had once enjoyed among large sections of Chinese opinion. Other Americans held that quick recognition would be undignified and cause loss of "face" in China, especially after the Ward affair; or the political opponents of the Administration might make capital out of early recognition by charging the Administration with cowardice. The problem of handling Formosa in an acceptable way was also mentioned as a reason for caution in recognition. Another American held that intervention in Formosa would not alter main trends in China, but only make Chinese opinion more hostile. The latter speaker also suggested that whenever a majority of non-Communist countries favored recognition the United States should accept their viewpoint and itself extend recognition.

<sup>1</sup> India recognized the Peking government on December 30.—Ed.



## 2. Economic Relations

D. R. Gadgil, Rapporteur

THE DISCUSSION OPENED with a consideration of United States tariffs and customs procedure. It was pointed out that educated American opinion was in favor of reduction of American tariffs and the simplification of customs procedure. In this connection an Indian delegate referred to the difference between the US customs procedure as it operated in relation to imports from western Europe and to imports from other countries. There was a possibility that this led to a leakage in India's dollar earnings. It was desirable that simplification and standardization of customs procedure should take place on an international level and that the United States should accept this idea more enthusiastically than it seemed disposed to do at present.

After this, the discussion moved on to the problem of export duties levied by the Indian government on special products. It was feared that high export duties on products like shellac were tending to price them out of the market. It was explained that the government of India had taken the step in order to prevent exporters from increasing the price of shellac excessively and from taking an undue profit out of the situation, though, it was admitted, the government had taken no special steps to see that this in fact was the result of the imposition of the export duty. In the discussion on the question dissent was expressed with the policy of the Indian government in this matter and it was also pointed out that export duties based on the assumption of a semi-monopolistic position of certain products may lead eventually to undermining their position in international markets. It was also suggested that the imposition of export duties was partly the result of a desire on the part of Indian industrialists to retain comparatively cheap raw materials for themselves within the country.

### State Planning in India

The group next discussed the general question of official policy of control and regulation and its effects on American investment. In this connection special reference was made to the high level of taxation, the high cost of living, the regulations regarding limitation of dividends, sales and excise taxes, the contemplated legislation on the control of industry, the participation of government in industry, the threat of nationalization, wage fixation and profit-sharing schemes, labor adjudication awards, and export and import controls. On the Indian side, it was pointed out that

Mr. Gadgil is Director of the Gokhale Institute of Politics and Economics at Poona.

although the policy of the Indian government had not crystallized, and in some respects such as import and export controls there had been too many changes, the regulation of private enterprise in all broad aspects and the undertaking of planning by the state had come to stay. It was within this general framework of a planned welfare state that the details of government policy must be considered.

It was pointed out that American enterprise had in the past come in on a minority basis and had on this basis helped to establish important and key industries even during wartime. It had concurrently accepted the responsibility of training Indian personnel to take the place of the imported American technical and administrative staffs. There appeared no reason why the attitude of American capital should change now.

### Majority Control for US Capital

Members of the American delegation were, however, definitely of opinion that circumstances and attitudes were now different. American capital now insisted on majority control in all its investments abroad. It did not like government control and was scared by the threat of nationalization. Specific instances were given where American capital had refused to continue on a minority basis in large-scale and important ventures in Latin American countries. American capital had definitely become more cautious in recent years.

One reason for this was that the memory of the experience of foreign investments made during the inter-war years was still fresh. Further, American capital had now become more concerned with questions of national security. It was therefore unrealistic to expect it to be forthcoming in any volume unless the climate for investment in a country was specially favorable. It was further pointed out that the actual returns on internal investment in America were high; therefore any regulation such as the limitation on dividends or profits would make the possibilities of investment still more remote. It was at the same time emphasized that American capital undertook fully the responsibility of training local executives and educating its employees when it made investments in foreign countries, and that assistance under Point Four would only generalize and make available on a large scale what American business had accepted as its responsibility previously.

On the Indian side the possibility of obtaining American funds for investment was discussed in two different contexts. On the one hand it was pointed out that state planning and control might not be a difficulty where

capital was brought in on government account and not as private business investment. In this case the scarcity of venture capital would not be relevant. Large government-sponsored schemes of development for irrigation or general regional agricultural development might be able to attract funds from the international financial market if there were adequate guarantees of payment of a reasonable rate of interest and proper sinking fund provisions. It was possible in India to undertake very extensive development projects, especially in the field of primary production, on these lines.

### International Funds Limited

The desirability of obtaining funds required for development in this manner was generally accepted. Doubts were, however, expressed in many quarters whether in fact considerable funds could be raised in this manner. It was pointed out that the bulk of the funds available on the so-called international financial market were really American funds and that investment through these channels would be subject to most of the limitations operative in case of American private capital. The funds that might become available through such organizations as the World Bank and the Export-Import Bank were not large. Further, before funds could be obtained from these sources the particular projects would have to undergo a scrutiny and be shown to yield a fairly high and ~~secure return~~. The number of schemes actually financed through these organizations was, in the circumstances, likely to be very small.

These considerations led generally to the emergence of the view that employment of capital for purposes of bringing about rapid economic development in countries like India could be shown to be neither so secure nor so paying as to attract investment funds on the ordinary economic terms. Whether the investment was made by private business or funds were sought for officially sponsored programs would not make a large difference. In connection with the general attitude of American business toward foreign investment two non-business trends of opinion were noted. One was that American private enterprise operated within the framework of public policy in the United States itself and it had, therefore, no justification for asking for a different type of treatment abroad. The other was that intensive operation of private enterprise without regard to aims of social policy had in certain areas of the United States itself left such wreckage that their clearance involved a heavy and continuing cost on the economy of the country. Thus American experience did not itself warrant leaving an uncontrolled field to private enterprise elsewhere.

Members of the Indian delegation put forward a

number of considerations in relation to the general statement of the position of the American private investors. It was, in the first instance, pointed out that planning for development was not entirely foreign to American ideas. Special projects of regional planning had been actively undertaken and many regulatory devices and other features usually associated with a welfare state were to be found in the United States. The price support policy was one of these measures specially discussed. The idea underlying the price support program was generally accepted but it was felt that the cost of it should all be borne internally and that, in particular, it should not add to the burden on the consumers of primary commodities in the poorer countries of the world.

### India Can Meet "Reasonable Requirements"

Further, the conjuncture of circumstances was so different in India that ideas and practices suited to American conditions could not be necessarily held to be suitable to India. The Indian government and public, it was said, were willing to provide all the conditions that might reasonably be required for the successful functioning of individual business enterprises. It was pointed out, for example, that if full control of the operations of a concern was desired only because the technical competence of Indians was doubted, there would be no difficulty in securing this control. So long as American individual enterprises were willing to operate within the integrated plan or the regulatory regime set up by the Indian government, all reasonable operational requirements of these concerns could be fully met. If, however, the climate of favorable conditions required for the operation of American business was interpreted so generously as to affect basic objectives of economic policy of the Indian government, it would naturally be found difficult to make the adjustments necessary to satisfy private American business interests.

In this connection some detailed discussion of the projected Indo-American treaty of commerce and friendship took place. The main issues brought out in the discussion were the interpretation of the most-favored-nation clause and the demand by Americans for national treatment in India (i.e. the same treatment as Indian nationals). It was agreed that agreement should not be difficult on the basis of the most-favored-nation clause as expressed in the terms of the International Trade Organization Charter. No agreement could, however, be reached in relation to the demand for national treatment. It was pointed out that the desire of any country to reserve special matters in relation to which nationals could be specially treated was due to special circumstances connected with na-

tional security or economic development programs. It had not yet been found possible to achieve general international agreement in the matter of reservations of this type. Therefore, the matter had to be considered separately by each country and the American treaties with Italy and China, which had been negotiated under peculiar circumstances, could not be held up as models for an Indo-American treaty. It was further pointed out that the official policy in India had not yet crystallized enough on a number of important points that would have to be included in a treaty like this.

On the American side it was emphasized that, if scope were left for differential treatment between nationals of the country and the foreign investor, there was every likelihood of the foreign investor's earnings being squeezed, and that American opinion was in consequence insistent on national treatment. While some Americans felt that no attempt should be made to negotiate a treaty as long as Indian policy was not definite on important issues, it was made clear by others that a treaty was a precondition of private business investment by Americans in India, as they felt that without a complete understanding between the governments of the two countries the atmosphere that was necessary for the movement of American capital into India would not be created.

#### UN and Point Four

There was general agreement that the volume of investment required by India (estimated by one delegate at Rs. 2.5 billion, or \$525 million, per annum) would not be forthcoming on a private investment basis and that the requirement could best be interpreted as being a requirement of economic funds or advances which has a distinct political overtone. In these circumstances, possibilities of official action had naturally to be discussed. The discussion developed mainly in relation to alternative programs of action and their possible effects. The possibility of action through United Nations agencies was generally discounted. It was pointed out that experience with projects like International Commodity Clearance had revealed special difficulties of adjustment within the southeast Asian region. The attempts made by specific countries to obtain special supplies of wheat through the FAO had also not succeeded. In addition as long as most international agencies were under the handicap of the division of the world into two blocs, their effectiveness was seriously reduced.

From the American side, the program under Point Four was emphasized as providing the solution to the problems of India in common with those of other underdeveloped countries. The requirements of capital for development of these countries were not large in the initial stages; there were many factors limiting their

capacity to absorb investment capital; one of them was the lack of trained personnel. Point Four, with its insistence on technical aid, met in a special manner the needs of these countries and the required amount of investment capital could easily come in on a private basis. For the latter purpose special provision was being made in legislation projected in connection with Point Four to cover the risks undertaken by American private capital abroad.

One criticism of this point of view was that the capacity to absorb foreign capital in these countries was being judged in the light of the somewhat special experience of China and that fairly large foreign funds could be utilized by countries like India. The technical aid program, it was also pointed out, merely touched the surface of the matter as long as it was not planned fundamentally in connection with a long-range development program. It was, however, realized that a development program with political overtones would have to be planned for a whole region and could not be visualized in terms of the requirements of a single country. This led to the consideration of a program for either a region like southeast Asia or for the whole of the Asian continent. It was emphasized that such a program could not be conceived as something merely added to the European Recovery Program but must be integrally combined with that program. Such a program, it was also pointed out, would be handicapped in its working if large areas like China were left out of its scope.

#### Possibility of Regional Programs

Certain difficulties were bound to be experienced in attempting to frame a regional program for, say, southeast Asia. The countries of this region had recently become independent and were naturally striving toward economic balance and self-sufficiency within their own individual areas. In former days their economies, which were colonial, were complementary to those of European metropolitan countries. It was therefore difficult within a short time to fit them within the framework of a mutually complementary regional program. Further, in case political conflicts developed within the region it would be difficult to frame a reasonable economic program for the whole region. The present state of relations between India and Pakistan illustrated this difficulty.

Regional programs, even in favorable circumstances, could, however, be worked out only with the help of considerable external assistance. The countries of the region as a whole were contending with considerable budgetary and balance of payments difficulties. And it was emphasized that in these countries even the technical aid offered under Point Four would require,

for its proper utilization, the accomplishment of considerable capital investment. It was further necessary to retain any such regional program within the framework of the general international monetary and credit organization. It could, therefore, be undertaken only within a world system or on a basis at least as comprehensive as that of the European Recovery Program.

The most contentious issue that emerged in this connection was in relation to the effects of Point Four and the possible alternative of an aid program for southeast Asia on European lines. American delegates pointed out that Marshall aid originated out of the peculiar requirements of war-devastated Europe and was designed to set broken-down economies on their feet. The requirements of India and southeast Asia were for a long-term development program and could therefore be suitably met only by the Point Four program. It was also pointed out that the operations of American private business in these countries would tend to set up within this area healthy competitive economies such as would in future require a minimum of external help.

On the opposite side, it was contended that the Point Four program, with its vital link with the investment of private American capital, was neither adequate nor suitable for the conditions of these countries. The great scope for the utilization of capital, once certain preliminary difficulties were overcome, was being underestimated, and in the absence of a large flow of capital for development purposes economic conditions in these countries could not improve rapidly enough for the attainment and maintenance of political stability.

It was alleged that, by linking assistance to private investments, the United States was in effect exporting a social philosophy. It was pointed out that the minimum conditions sought for American private business through such instruments as commercial treaties had in effect the result of laying down the framework of economic policy for those countries. In India, in particular, it was contended by some that private business was looked

upon with distrust by popular opinion and that by forcing governments to make concessions to private business in general, the United States' policy was making for political instability. Representatives of Indian business challenged the correctness of this part of the analysis though they agreed with the Indian need of assistance from the United States on a government-to-government basis.

Much emphasis was also laid by some on the new social forces that had been released in the Asiatic countries and the urgency of canalizing them in proper directions; this would be impossible without a successful program of economic development which produced results within a comparatively short time. Finally, it was pointed out that the whole issue had to be considered against the background of the competitive effort on the part of Soviet economy. The USSR had developed the resources of the central Asian republics even at some sacrifice of its own developmental program. Communist China could soon be expected to launch a program of intensive development, which would reach areas like Sinkiang on India's border. The appeal of such efforts should not be underestimated. It was therefore essential that the problem of developing the resources and balancing the economies of southeast Asian countries be considered in the light of this world situation. Such a consideration should lead to undertaking a program of development on the ECA model, a program in which the aid given was sizable and in which the right and ability of each country to adopt the degree of regulation and planning suited to its own needs were fully recognized.

This plea for a development program was underlined and in some ways specifically oriented toward the needs of the bulk of the population living in rural areas by reference made to actual conditions in Indian villages, and the degree to which they were unaffected by present governmental programs except to the extent of beginning to labor somewhat under a feeling of frustration.

### 3. Cultural Relations

K. G. Saiyidain, Phillips Talbot, Rapporteurs

THE DISCUSSION OPENED with an attempt to define the meaning of culture and elucidate some of the basic characteristics of Indian and American cultures. It was generally agreed that culture must be defined

broadly as the whole way of life of a people, which includes their behavior patterns, their social customs, their material possessions, their intellectual achievements. It could not be identified only with the finer but materially less important things like the fine arts or poetry or knowledge of classics.

In order to bring about intercultural understanding, it was considered most important to realize that dif-

Mr. Saiyidain is educational adviser to the Government of Bombay; Mr. Talbot is an associate of the Institute of Current World Affairs and a correspondent of the *Chicago Daily News*.



ferent cultural patterns exist and have a right to exist and that they have developed in response to the special environment and the special mental and emotional makeup of the people concerned. Some delegates expressed the view that, for Americans, this was a comparatively more difficult admission to make because historically their experience has been that generations of immigrants have sought willing assimilation into the American pattern of life. On the other hand, India has had a long experience of the mutual interaction and assimilation of different cultural streams resulting in a gradually enriched cultural synthesis. It would, therefore, be healthy for Americans to be exposed to the influence of an alien culture so that they may realize that their own is not immutable or everlasting. It was, however, made clear that the mere physical contact of large numbers of people does not bring about cultural understanding, and the example was quoted of American GIs who came to India in their hundreds of thousands during the war but went back without any correct or balanced understanding of Indian culture.

### Advantages of Cultural Exchange

In the discussion of the characteristics of the two cultures, it was brought out that, generally speaking, there was a tendency in America to equate culture with material things which could be seen and measured, while in India the tendency was to look complacently on the phenomenon of a highly developed culture wedded to a comparatively primitive civilization. This very difference emphasized how significant and mutually advantageous could be the results of Indo-American cultural contact, provided the two nations thought more in terms of the future than of their past relationships. India, which had become the meeting point of Eastern and Western cultures, could be a creative sharer in the culture of the world in which the material and the spiritual both had to play a significant part. And as she enters into the phase of industrialization, India may be able to learn something of value from the methods being tried in America for retrieving personality from the dangers of mechanization. One delegate suggested that the Americans had a special responsibility to understand and assist India in the orientation of this process. Some other delegates, while admitting the need for benefiting from the experience of other nations, cautioned against the danger that this responsibility might develop into a kind of "white man's burden" in the cultural field. It was pointed out that primarily it was the responsibility of the country concerned to orient its social and cultural policy in the light of its needs and ideals.

The discussion then turned to a consideration of factors in American life which tended to puzzle or

disturb the Indians (and vice versa) and thus handicap the growth of mutual understanding. There was more discussion of the American side, possibly because students and visitors went from India to America and comparatively fewer had so far come from America to India. Among the factors pointed out were the American attitude toward marriage, divorce, and the Negro problem; the American impersonality in economic relations; the proselytizing activities of missions; and interference with civil liberties as exemplified in the work of the "Committee on Un-American Activities."

### Disturbing Factors Discussed

It emerged from the discussion that many thinking Americans seriously deplored and protested against the attitude toward the Negroes and that, in recent years, there had been perceptible improvement in the treatment of Negroes in colleges and universities. The problem could not be solved merely through legislation; what was necessary was the education of public opinion through democratic methods, and that was naturally a long and slow process. Among American intellectuals and others there was also considerable resentment at the attack on civil liberties implied in the work of the "Committee on Un-American Activities," and protests had been voiced against it.

Some American delegates explained that, as a rule, there was no "impersonalism" in American economic relations, but methods of bringing about better integration between employers and employees were being constantly examined and implemented by many business concerns so far as possible. With regard to proselytization, not all American delegates appeared to favor such activity. The Indian members, however, paid tribute to the valuable work done by American missions in the field of health, education, and other social services. It was also made out that the real objection was not to proselytization as such but to methods sometimes employed and to the tendency to confuse Christianity with Western cultures.

On the Indian side it was pointed out that India could learn much from America in the matter of respect for dignity of labor; that India had to rid itself of the evil effects of the caste system and the attitude of quiescence bred by a belief in the doctrine of Karma. It was, however, made out that India had not one but many philosophical trends and there were many individuals and schools of opinion which advocated a creative individualism, and that an adequate understanding of Indian culture called for a more balanced view of Indian thought. In the political field, Indian history had been marked by many rebellions which did not, by any means, fit into the picture of patient, unprotesting sufferance of evils. In fact, Mahatma

Gandhi's movement, though pacific and non-violent, was, on the one hand, an active and emphatic protest against the political plight of Indians and, on the other, a protest on behalf of human personality which was threatened by the forces of mechanization and, as such, it had a world significance.

Regarding the immigration laws, in so far as they affected Indians, the general feeling was that the present quota system was not satisfactory. It was not, however, anticipated that any considerable immediate increase in the number of immigrants would follow even if it were modified.

### Problems of Student Exchange

The Round Table discussed at considerable length the difficulties experienced by Indian students who went to America or American students who came to India. It was pointed out that both found it difficult to adjust themselves to their new and sometimes bewilderingly different environment and, while good work was being done by some official and non-official agencies, more should be done to help the students to participate fully in the social and cultural life of the host country. There should be a more careful selection which would take into account not only their academic qualifications but their general common sense and adaptability, and the period of stay should be not less than one year and, if possible, two years. It was also necessary that their program of study should be carefully planned beforehand and universities carefully selected. Some preliminary coaching of students—either through lectures or study of suitable literature about the country to be visited—and the establishment of friendly organizations, official and non-official, to help and guide new students were also recommended.

Discussion also centered around the comparative advantages of sending abroad younger or maturer students and of inviting American specialists and experts to work in India or sending large numbers of Indian students to America. The general trend of opinion was that, in view of financial and other considerations, it would be better, as a rule, to send out, for the present, experienced post-graduate students. The younger students could have the benefit of working with American (and other foreign) professors and experts in their own country. It was pointed out that this was generally the policy which was being actually followed by the government of India. In this connection, the point was made that professors invited from outside should be given full opportunities for participation in the work of the universities. One delegate drew attention to the fact that for some students and for certain types of courses, the small rural college or an institution in a comparatively backward region may be

more suitable than the urban universities having a greater prestige value.

The question of providing facilities for Indian students to receive practical training in American plants and factories was considered at some length. It was admitted that such opportunities were limited at present but the objection against taking apprentices came not so much from the industrial concerns as from the labor unions. Some students had, however, been taken and there was evidence of a more liberal policy being followed in this matter. The members of the American delegation who had connections with industry promised to use their influence to further it. They also pointed out that they were now sending their own Indian executives for practical training to America where they had full opportunities to learn the technical know-how. It would, however, be an advantage if Indian students who went out for such training had previous experience in India of practical work in that field. Discussion also touched on the important question of adjusting the trained personnel to the available opportunities. There was general agreement that industrial planning and the training of personnel should go hand in hand; otherwise there was waste of time and money and a feeling of frustration on the part of qualified students.

A number of practical issues involved in the exchange of students were considered and suggestions made for meeting them, e.g. provision of fuller and more appropriate information about facilities available in American universities and colleges, the organization of summer schools which gave greater opportunities for social and cultural contacts, freeing dollar exchange for the purchase of books and journals, enabling Indian students to work their way through colleges as many American students were able to do, granting of credit to American students for work done at Indian universities, making available the experiences of Indian students returning from American universities to intending students, the establishment of a liaison between the Inter-University Board and the American Council on Education.

### Government Information Services

In discussing the role of government information services, it was pointed out that while they were doing quite useful work, their effectiveness would increase if they did not present a too idealized picture of their respective countries and if they gave more attention to presenting the everyday life of the common man which will interest a much larger audience. Attention was drawn in this connection to the role of the powerful modern media of mass communication like the press, the films, and the radio which often tended to convey distorted, tendentious, or one-sided views of other coun-

tries but which could be used as initial agencies of education for international understanding. In view of their impact on very large numbers of people, the hope was expressed that the countries concerned will take suitable steps to exploit their educational possibilities more intelligently.

### Cooperative Research

The Round Table then took up the question of cooperative research. The value of such research in the field of social science was generally accepted, although one speaker warned against the fad of what he called "scholarly auto-indoctrination by the committee method." It was made out that, in a situation like that existing at present, cooperative research should be directed not merely toward increasing the field of knowledge but also toward the achievement of social progress.

As south Asia has, in the past, been rather far removed from the center of interest of American scholarship, note was taken of the work of the Joint Committee on South Asian Studies which operates under the auspices of the American Council of Learned Societies and the Social Science Research Council. It was reported that the Joint Committee recently laid emphasis on the establishment of cooperative research in south Asia in which a guiding principle will be association with, and assistance in, the development of indigenous scholarship, as there were many problems of these societies which could best be studied and examined by local scholars themselves with the technical help of American specialists. Other proposed American activities included the creation of a common south Asian accessions list and the development of an American Institute in south Asia for the common benefit of American and south Asian scholars.

To emphasize the reciprocal nature of cooperative research, an American delegate pointed to the benefits that could be achieved from research sponsored jointly by some American and Indian universities. Not only could Americans study in India under such a scheme, but Indians could work on problems of social change in the United States, thus adding a fresh angle to American research and also perhaps throwing new light on conditions in their home society. It was suggested that such joint research would have the further advantage of improving social study techniques developed in the United States and their modification for dealing with problems of non-Western cultures.

In this connection, a delegate referred to the great social distance in some cases between American and Indian conditions. He suggested that, in certain types of studies, an Indian scholar could gain more by studying conditions in a country like Japan than the United

States, and he made a plea for continued consciousness of the values of multinational research cooperation.

A number of cooperative research programs that are in operation or being planned were described. These included the Integrated Social Science Research Project of the University of California, proposed to be located at Bangalore, India, the synthetic country studies that are to be a part of the Hoover Institute's survey of the impact of modern forces on life in different countries, and programs sponsored by the Institute of Pacific Relations.

In defining the approach which should be adopted in the study of Indian culture, it was pointed out that India should be regarded as a cultural whole and not envisaged, as had been done in the past, in communal and sectarian terms, and that all the important claimants of that culture—Hindu, Buddhist, Muslim, Western—should find their proper place in it. Moreover, it was desirable to extend the scope of such studies beyond the ancient past and to include present trends and formative forces.

### The Fulbright Program

The Fulbright Act was considered as a means of developing research opportunities for American and Indian scholars and students. The Fulbright agreement was expected to be signed shortly by the governments of India and the United States. It will provide for the utilization of funds of the order of about Rs. 7.5 million (\$1,575,000) over a period of ten years or more. Under the terms of the Act, the funds (in rupees only) will be available for American scholars and students selected for educational institutions in India and for the transportation expenses (in rupees) of Indian scholars and students proceeding to the United States. It was also proposed to take advantage of the Fulbright grants for inviting American technicians and professional men to India. The grants might also be used to stimulate studies by American students in Indian archaeology, anthropology, art, linguistics, and other fields. It was suggested that further efforts should be made to discover some arrangement whereby the living expenses of Indian scholars working in the United States might be met from other funds in America, as the amount available under the Act could not be utilized for this purpose.

At the conclusion of the discussions, it was made quite clear that the attempt to bring about better Indo-American understanding should not be interpreted as implying any kind of exclusiveness but must be related to the broader pattern of better international understanding in which the delegates of both countries are sincerely interested.

# NEWS CHRONOLOGY

December 23, 1949, to January 5, 1950

December 23: *China*. The US State Department warns that ship captains who attempt to run the Nationalist blockade may have their master's licenses revoked. The waters around Hainan are declared a naval war zone by the Nationalists.

December 23: *Japan*. The cabinet approves a new budget almost 80 billion yen smaller than last year's. It was reduced mainly by cutting down such government subsidies as the price differential subsidy to producers of key materials.

December 24: *India*. India suspends deliveries of coal to Pakistan in retaliation for Pakistan's alleged failure to deliver jute purchases.

December 26: *China*. Chengtu, last Nationalist capital on the mainland, is reported taken by the Communists.

December 26: *Philippines*. President Quirino announces completion of plans for the US military aid program for the Philippines. He declines to state the amount of aid or how it is to be used.

December 27: *India*. "Authoritative" sources report that India will reject the McNaughton proposals for a synchronized withdrawal of Indian and Pakistan forces from Kashmir in preparation for a plebiscite.

December 27: *Indonesia*. Queen Juliana of the Netherlands signs the document granting sovereignty to Indonesia, and a Netherlands-Indonesian Union is officially formed. The new nation is recognized by a number of countries including Great Britain, India, Burma, Pakistan, the Philippines, and Australia.

December 27: *Japan*. SCAP announces that private imports will be restored on January 1 as the occupation's final major step in returning Japan's foreign trade to private hands.

December 28: *Indonesia*. The United States extends recognition to Indonesia and H. Merle Cochran is named first ambassador from the US. Nationalist China also extends recognition.

December 29: *China*. The Soviet Union disputes the right of the Nationalist government of China to hold a seat on the UN Security Council.

December 29: *United States*. The Department of Defense announces that the US Seventh Task Fleet in the western Pacific will be augmented by a carrier and two destroyers.

December 30: *China*. The Communist radio announces that the conquest of southwestern China is complete except for a few pockets of resistance in Yunnan and Sikang.

December 30: *India*. India recognizes the Peking government of China.

December 30: *Indochina*. Bao Dai, chief of the French-sponsored state of Vietnam, and the French High Commissioner for Indochina sign an agreement securing a large measure of sovereignty for Vietnam. Foreign affairs and defense will remain in French hands. The agreement is not formally effective until ratified by the French parliament.

December 31: *China*. A responsible US official reports agreement between President Truman and the US National Security Council that American recognition should be withheld from Communist China at this time, that US occupation of Formosa is out of the question, and that a study should be undertaken to determine what technical and financial aid might be given to the Nationalists on Formosa and Hainan.

January 1: *Japan*. MacArthur, in a New Year's message, tells the Japanese people that their acceptance of their new constitution, which renounces war and the maintenance of armed forces, cannot "be interpreted as complete negation of the inalienable right of self-defense against unprovoked attack." A Soviet military court sentences twelve Japanese officers to from two to twenty-five years' imprisonment on pleas of guilty to having attempted to wage biological warfare.

January 2: *China*. Former US President Herbert Hoover and Senator Robert A. Taft, in separate statements, urge the US to protect Formosa by force if necessary.

January 2: *Indonesia*. President Sukarno predicts that New Guinea will be incorporated into the United States of Indonesia before the end of this year.

January 2: *Philippines*. The Batangas rebellion over election procedures is reported to have ended with the surrender of its leader to President Quirino.

January 3: *Pakistan*. It is reported that Poland has agreed to supply Pakistan with coal for an indefinite period in the absence of coal shipments from India.

January 4: *China*. A report from Tokyo states that the US State Department has informed its personnel in Japan that the fall of Formosa to the Communists is "widely anticipated."

January 4: *India*. Deputy Prime Minister Patel warns that India's relations with Pakistan are so strained that they are "capable of provoking war."

January 4: *Japan*. The Soviet delegate to the Allied Council for Japan leaves a meeting because of a resumption of discussion on the fate of Japanese prisoners of war still in the Soviet Union.

January 4: *Pakistan*. Pakistan recognizes the Peking government of China.

January 5: *China*. President Truman announces that the US will send no military aid to Formosa, but will continue the present ECA program. Great Britain breaks off relations with the Nationalist government of China.

January 5: *Pakistan*. Pakistan is reported to have accepted the McNaughton proposals to demilitarize Kashmir in preparation for the plebiscite.

The FAR EASTERN SURVEY accepts no responsibility for the accuracy of items in the "News Chronology." The chronology is based on reports in the *New York Herald Tribune* and the *New York Times*. It is prepared by Irving I. Kramer.

## FAR EASTERN SURVEY

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January 25, 1950

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Dear Mr. Hoover,

I have deferred my reply to your letter of November 23 in order to provide ample time to consider where my duty lies, in the interests of this Institute.

The impressions reported in my letter of November 14 to Mr. Baumgardner were based on more explicit information than I included in my letter, which I thought provided sufficient basis for inquiries within your Bureau. This information seemed to me credible.

I still think it was substantial as well as credible. In view, however, of your statement that these allegations have been categorically denied by the representative of the Bureau involved, I am satisfied to let the matter rest with our exchange of views.

You will understand, I am sure, both my concern for the good repute of this Institute and my desire to avoid controversy with a Government agency which I greatly respect.

Sincerely yours,

*Clayton Lane*  
Clayton Lane  
Executive Secretary

Mr. John Edgar Hoover  
Director  
United States Dept. of Justice  
Federal Bureau of Investigation  
Washington, D. C.

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*To each necessary -  
Mr. Edgar Hoover position  
on letter dated 11/23/49 -  
He is merely acknowledging  
our letter -*

## Office Memorandum • UNITED STATES GOVERNMENT

~~CONFIDENTIAL~~

DATE: February 10, 1950

TO : Director, FBI.

FROM : SAC, New York

SUBJECT: AMERICAN INSTITUTE OF PACIFIC RELATIONS  
INTERNAL SECURITY - C

There is transmitted herewith for the information of the Bureau one copy each of the "Far Eastern Survey," Index of Subjects and Contributors, Volume XVIII-1949, and the "Far Eastern Survey" of February 1950, Volume XIX, No. 3. These publications are published by captioned organization.

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# Far Eastern Survey

AMERICAN INSTITUTE OF PACIFIC RELATIONS

## Challenge in Southeast Asia

How will China's new regime influence her neighbors to the south? A former State Department official presents an analysis and some recommendations.

BY JOHN F. CADY

THE URGENT MISSION of Ambassador-at-large Philip C. Jessup to southeast Asia, the decisions of Burma, India, and Britain to recognize the Communist regime in China, the current contest over China's representation in the UN Security Council, the British Commonwealth Conference in Ceylon, and the rumored assembling early in 1950 of a conference of representatives of various south Asian governments in the Philippines, all underscore the critical importance of current political developments with respect to southeast Asia.

The immediate crisis in southeast Asia focuses on the borders of Indochina and Burma, where victorious Chinese Communist forces are perhaps already in a position to make contact with dissident rebel elements of these countries. The probability of Chinese Communist collaboration with Viet Minh nationalists of Indochina is generally assumed. Ho Chi Minh, the arch-opponent of French imperialism in Indochina, is himself a Moscow-trained Communist, and Mao Tse-tung will have reasons of security to buttress his natural sympathy for Ho. Overt Chinese military intervention across the Indochina border may not be anticipated at this juncture, for Mao has numerous problems at home to keep him occupied, but he should be able to ensure without difficulty that Viet Minh resistance to French control is maintained.

The Indochina problem is a troublesome one because any indefinite continuation of strife between the

contending French and nationalist forces will aggravate international tension throughout the Far East and render a final pacification increasingly difficult. Abject and unconditional withdrawal on the part of the French in the face of the combined Viet Minh-Communist pressure is not considered politically feasible from the Western point of view; it would mean serious loss of prestige and would be denounced by important political groups within France and the United States as tantamount to admitting Communist influence into the very center of the southeast Asian peninsula. On the other hand, any decision to assist French forces in putting down the Viet Minh rebellion and in establishing the authority of the French-sponsored Bao Dai regime, which lacks nationalist support, would probably call for a substantial military effort by the United States, which most Americans would emphatically oppose. Support of the French would also inflame nationalist

FEBRUARY 8, 1950 VOL. XIX No. 3

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by John F. Cady

• **Canadians, Americans Confer on Far East**

• **Japan: Nationalization vs. Free Enterprise?**

by Joseph W. Ballantine

Mr. Cady is Associate Professor of History at Ohio University. For three years prior to September 1949 he was chief of the State Department's research branch for south Asia. During the war he was research analyst for Burma in the OSS, and was connected briefly with the consulate general at Rangoon in 1945-46.



sentiment throughout southern Asia, where it would be denounced as confirmation of the Communist allegation that capitalist democracy was incurably imperialist.

The problem of Burma's relations with the new China government, although serious, has been rendered somewhat less difficult because Britain's voluntary withdrawal in 1948 made it impossible for Communists to capture the nationalist movement as they threaten to do in Vietnam. Burmans generally remember the atrocities of Chinese soldiers in north Burma in 1942, and entertain a genuine fear of Chinese aggression along Burma's undefended northeastern border. Irregular bands, ex-Nationalist soldiers, or Communists would be regarded with the same aversion. Even if annexation of Burma territory is not involved and no concerted effort is made from China to strengthen the Communist movement in Burma, either of which might occur, the general situation will stimulate increasing nervousness at Rangoon to the detriment of the early restoration of governmental authority. It must not be assumed that Rangoon's haste in extending recognition to the new China government signifies any official enthusiasm over recent developments in China. The action appears to have been taken to forestall attempts of irresponsible Burman political elements to make capital out of the China situation and also to test the possibility of arriving at a *modus vivendi* with a potentially dangerous neighbor.

The search for remedial measures to halt the immediate threat of the spread of Soviet-Communist influence in southeast Asia has led to the suggestion that some form of general agreement be conceived looking toward the cooperation of all south Asian governments with respect to the common danger from China. The resulting federation might conceivably encompass the vast triangular area extending from the Philippines and Indonesia on the east and south to India and Pakistan on the west. It would presumably be designed as a regional security and development pact to operate within the framework of the Charter of the United Nations. Such a federation, it is thought, might provide a firm foundation for Western counter-measures against the spread of Communism in the Far East without incurring the suspicion that the imperialist system was being revived. The prospect for establishing such a federation calls for careful examination.

### Attitudes Toward Chinese Influence

The present threat to southeast Asia has two aspects, one of them Chinese and the other Communist, and they are equally important. By and large all of the politically articulate elements within the area would oppose southward extension of control by China, Com-

munist or otherwise. Viet Minh nationalists of Tonkin and Annam are the only ones who might stand to gain from Chinese intervention against French rule, but the peoples of northern Indochina have unhappy memories of the temporary occupation of the area by Chinese forces following the end of the war, and Ho Chi Minh himself would probably seek guarantees with respect to eventual Chinese withdrawal if overt assistance were offered.

Authorities at Bangkok, already nervous over disorders prevailing in neighboring Burma, Indochina, and Malaya, have long-standing differences over educational policy and immigration control with the several million locally resident Chinese, many of whom claim citizenship in China as well as in Thailand. If a unified Communist Chinese government should decide to interest itself, as did the Kuomintang, in the alleged grievances of the Chinese in Thailand, the very independence of the latter state would be threatened. British authority in Malaya could also be embarrassed if Peking should decide to support the complaints of resident overseas Chinese, who constitute the largest single element of Malaya's population. Even moderate Malayan Chinese complain that the British have denied them equal political rights, quite apart from the Chinese-led guerilla-Communist movement, which has been in progress for several years.

The Philippines and Indonesia are less vulnerable to Chinese pressure because of their insular status and by reason of defense facilities provided under existing treaties with the United States and the Netherlands. Both regimes are nevertheless insecure. Manila's anxiety, like that of Bangkok, stems in large part from anticipation of future difficulties in dealing with an economically influential and potentially troublesome Chinese minority, which might be used by Peking to embarrass the conservative Philippine government. The Chinese minority in Indonesia is less important than in the Philippines, but it has been for the most part hostile to the nationalist program, and will accord little cooperation to the government in working out difficulties of economic and political readjustment. As long as Western interests are vulnerable to attack, it would probably be gratuitous for Communist China to denounce wealthy overseas Chinese as the capitalist exploiters of Asian peoples.

While any extension of Chinese influence would be definitely unpopular, Communist propaganda has a certain appeal for the peoples of southeast Asia, as distinct from their governments. Its attraction lies in its strong anti-imperialist emphasis and its promises of relief to an impoverished peasantry which events of World War II made ripe for social change. Leftist agitators constantly emphasized the connection between

## GERARD SWOPE NEW CHAIRMAN OF AMERICAN IPR

### Twenty-fifth Anniversary Program Launched

**T**HE ELECTION of Mr. Gerard Swope as Chairman of the American Institute of Pacific Relations was announced at a dinner held at the Commodore Hotel in New York on January 12. Mr. Swope, who succeeds the late Dr. Ray Lyman Wilbur, is Honorary President of the General Electric Company and a distinguished business and civic leader.

The principal speaker at the dinner was the Hon. Dean Rusk, Deputy Under Secretary of State, who spoke on United States Far Eastern policy. W. L. Holland, Secretary General of the Institute of Pacific Relations, who had just returned from the Far East, reported on his observations. The presiding officer was Clayton Lane, Executive Secretary of the American IPR.

Surveying the "geologic" forces at work in Asia, Mr. Holland noted that where millions of people are constantly on the verge of starvation, progress by orderly parliamentary methods is at best difficult. In two areas, Japan on the east and India and Pakistan on the west, he said, modern economy and parliamentary institutions are relatively well established. But even here the conditions of stability are highly precarious; and in Asia as a whole, modern liberal institutions are only a thin crust which needs support.

Mr. Rusk said that the United States must aim to strengthen the "thin crust" to which Mr. Holland referred. Asia, he declared, is in the throes of a revolution that has long been in progress, as a protest against centuries-old burdens. It is both a national and a social revolution, and its goals are fundamentally the same as those of the British, French, and American revolutions: freedom, self-government, and a decent standard of living. Communist tactics, Mr. Rusk said, represent a counter-revolutionary diversion from the real aims of the Asian revolution. The object of the United States, however, is not to defeat Communism as such, but to check Soviet imperialism. Since political penetration is the chief Soviet tool, the primary problem is not a military one but one of raising living standards in Asia. The United

States, he said, stands ready to aid in this process but it cannot do the job itself; the initiative must come from the Asian countries.

American foreign policy, Mr. Rusk stated, is a response to public attitudes. The Institute of Pacific Relations, he said, in its twenty-five years of existence has contributed much to an informed and intelligent foreign policy, not only by its many research publications but also by the people whom it has trained. Mr. Rusk, who is a member of the American IPR, expressed the opinion that the IPR will be needed even more in the next twenty-five years.

Mr. Swope, acknowledging the many tributes paid to him, advised his hearers to keep their sense of humor and proportion, adding that no qualities are more useful in dealing with other countries.

Mr. Swope, accompanied by Mrs. Swope, sailed on January 19 for an extensive tour of Asia, including India, Pakistan, Indonesia, and Japan, to obtain fresh impressions of conditions there. Returning in May or June, he will resume active leadership of the AIPR as it celebrates its twenty-fifth anniversary by launching an enlarged program of fact-finding, analysis, and discussion of problems in Asia.

A Twenty-fifth Anniversary Committee in New York, set up by Mr. Swope before his departure to advise and support the AIPR in its new program, includes Alfred P. Sloan, Jr., Chairman of the General Motors Corporation; Juan T. Trippe, President of Pan American World Airways; William G. Brady, Chairman of the National City Bank; Sosthenes Behn, Chairman of the International Telephone and Telegraph Corporation; Curtis E. Calder, Chairman of the Electric Bond and Share Company; W. R. Herod, President of the International General Electric Company; Professor Hugh Borton, of the East Asian Institute, Columbia University; Donald B. Straus, of Management-Employee Relations, Inc.; and C. B. Marshall, Director of the Standard Vacuum Company.



imperialism and capitalism and associated both of them with allegedly bankrupt political and economic principles of the liberal West. Opposition to capitalism was popular because virtually all industrial capital in colonial countries outside of India was foreign-owned. Furthermore the grandiose schemes of industrialization contemplated by nationalist leadership seemed to demand a planned economy financed by state capitalism, and the Soviet pattern was usually considered. A radical program of agrarian development and reform advocated by the Communists was also everywhere popular.

The Western-educated intelligentsia who took over political leadership in most south Asian areas emerging from colonial rule, although entertaining Socialist aims, have preferred to pursue their liberal constitutional objectives rather than undertake immediately to squeeze out capital savings from the extremely low standards of living of the people in order to finance industrialization and reforms. Governing problems also counseled postponement of land reform and the nationalization of industries. However realistic and understandable this cautious program may have been, the results have fallen far short of inflated popular expectations for amelioration of economic distress. The result is that virtually all of the new governments are facing increasing popular discontent.

In Burma, the educated intelligentsia, professional men and civil servants, proved from the outset unable to compete politically and militarily with the inexperienced, half-educated, youthful leaders of the Anti-Fascist People's Freedom League, who have thus far proved incapable of coping with governmental problems. A similar displacement of Western-oriented leadership could easily take place in other liberated countries. A considerable fraction of the conservative Western-educated intelligentsia, in fact, already doubts the feasibility of transferring Western-type democracy to Asia. Many predict that the uncoordinated efforts of free individuals will only lead to greater injustice and confusion rather than to national progress and social welfare. In other words political liberalism on the Anglo-American-French model is on trial and has yet to demonstrate that it can cope with the economic and political realities of the countries of south Asia.

If under these circumstances it should become generally accepted that the Communist revolution has been a "relatively good thing for the Chinese people, as competent Western observers already tentatively allege, the demand for active experimentation in south Asia with the same methods is certain to grow. In that case any effort on the part of the West to set up a militarily conceived defense along the southern border of China to forestall the spread of Communist influence is likely to be a futile gesture.

The situation, however, is far from hopeless. In Pakistan and India, other dissident political elements than the Communists are likely to profit initially from growing popular unrest. In Burma, a well organized Communist movement, which the government has not been able to suppress, is calling for repudiation of the treaty with Britain, expropriation of all foreign capital holdings, and peasant refusal of rental and tax payments. But there are indications that Burmese at all social levels are becoming convinced that disruptive Communist tactics offer no prospect for improving their country. What is needed in Burma is a vigorous rallying of non-Communist nationalist elements of the population to end existing anarchy, Communist-inspired in some measure, and to ward off the impending threat from China.

The conservative and relatively stable governments of Ceylon and Thailand, and the British regime in Malaya, are not likely soon to be seriously challenged by Communist agitation. On the other hand alarm in the Philippines over recent events in China may imply that Manila sees the handwriting on the wall with respect to urgent problems of domestic land reforms already too long postponed. The new Indonesian republic is particularly vulnerable to Communist attack, for Sukarno must operate within the framework of an agreement with the Dutch which is not popular and which the Communists loudly denounce. His government faces an enormously difficult and urgent task of political and economic rehabilitation among a people who have suffered dire privation since 1942. Statements by Soviet spokesmen at Lake Success make it evident that Communists will exploit these difficulties to the limit.

### Peking-Moscow Differences

On the crucial question of whether Chinese policy in southeast Asia will differ from the Moscow-directed Communist program, it must be assumed that under existing circumstances they will be very similar and will tend to buttress each other. Peking's rebuff of initial moves of Burma and India toward recognition carried a made-in-Moscow ring, and the more recent seizure of American consular property carries similar connotations. Both Russia and China will continue to attack all evidences of Western influence in the area and will have nothing good to say about the independent governments of India, Burma, Indonesia, and the Philippines, all of which are allegedly allied with the "Fascist-imperialists" of Europe. But the interests of China and the USSR in the Far East are not identical, and under proper stimulation important disagreements are likely to develop.

Up to the present time, Soviet policy has been par-

ticularly hostile to any form of non-revolutionary, negotiated settlement for the liberation of south Asian countries which did not execute a complete and decisive break with the former metropolitan power, economically, politically, and strategically. Such a policy stems in all probability not from any genuine concern for the nationalist aspirations and prosperity of the colonial peoples concerned, but from the established Stalinist principle that Communism must support only those national movements which weaken imperialism. Its primary motivation can be found in the ulterior desire of the USSR to wreck the economies of the non-Communist countries of Western Europe—Britain, France, and the Netherlands in particular—by denying to them the substantial financial and material support formerly derived from their colonial investments and services in southern Asia.

This policy has been clearly demonstrated in India, Burma, and Indonesia, and to some extent in the Philippines. The USSR has not only ignored the welfare of the peoples of colonial areas, but has also treated the local Communist parties themselves as expendable items in the prosecution of world revolution. The Communist party of India, for example, has been hampered repeatedly in its local operations over the last twenty years by the zigzag maneuverings of Soviet foreign policy. The most recent instance was the Soviet repudiation in early 1948 of the India-oriented program of party Secretary P. C. Joshi in favor of an alternative orgy of violence, which has resulted only in the impairment of the party's influence throughout India. The Yugoslav-Soviet rift has demonstrated in this connection that revolutionary domestic programs, however Communistic, are not satisfactory from the Moscow point of view unless they also serve the needs of Soviet foreign policy. Lack of any genuine concern for the interests of the colonial peoples involved is the essential weakness of Soviet policy in all southeast Asia. In time it may become clear, even to the Chinese Communists, that the Soviet policy of disruptive revolution in south Asia runs directly counter to China's vital interest in the recovery of production and trade throughout the Far East.

But before any marked divergence between Peking and Moscow can be envisaged several essential conditions must be met. The first would be to resolve the Indochina situation, if possible, by a negotiated French agreement on the Indonesian model with Viet Minh or some other genuinely nationalist group; the second would be to assure the Chinese Communist regime that the United States harbors toward it no hostile intent; the third would be to inaugurate a long-term effort to stimulate economic production and trade throughout the Far East, in which China would be

invited to participate on a cooperative basis. This is no easy assignment, but nothing short of it is likely to succeed in developing any marked divergence between the essentially European-oriented policy of Moscow and the inherent interest of Communist China in the economic recovery of the Far Eastern area. It demands among other things a persistent American effort to envisage the Far Eastern situation not in terms of Western stereotypes, but as it appears to Asian eyes.

### Weakness of Smaller Asian States

The smaller states of southeast Asia will probably be able to accomplish very little on their own initiative to develop a regional economic or security program. Not one of them at present can contribute significantly to the security of any of the others. To the sum of individual weaknesses are added the ingredients of mutual hostility and distrust. Pakistan believes itself threatened by India; India is feared in Ceylon; the Indian minority is thoroughly disliked in Burma. Thailand's historic relations with both Burma and Annam have been bitterly hostile. The Philippines and Indonesia differ culturally, and neither bears any close affinity with neighboring areas on the continent except in the case of Malaya, which is under British rule. The smaller nations of southeast Asia can participate in periodic Pan-Asian conferences, such as the one in January 1949 on Indonesia, and can participate actively in United Nations affairs; but apart from association with powers outside the area they can contribute little individually or in cooperation to the political stability or the security of the region as a whole.

Economic federation of the smaller states would be equally profitless. Their economies are not complementary even if India's industries are included. Burma, Thailand, and Indochina sell little to each other and compete in the same markets to dispose of their surplus rice and teakwood. Nor is cooperative industrial development feasible. If it is clear that the ambitions of each of the component states for industrial autarchy are impossible of realization, it is equally difficult to imagine a protective customs union for southeast Asia under which Burmans, for example, would consent to pay higher prices for certain types of goods produced by Thailand's infant industries, while Thailand conversely would do the same for other items allocated to Burman production. Economic integration for southeast Asia can be developed only in the context of the Far East as a whole, including India, China, and Japan. Even so the principal commercial connections of Malaya, Indonesia, and the Philippines would fall outside this perimeter. Southern Asia in particular cannot get very far by tugging at its own technological and commercial bootstraps.



Pandit Nehru and other representative Indian spokesmen believe that it is India's manifest destiny to become the political, economic, and cultural leader for south-east Asia. India's sphere might extend eastward as far as Cambodia and Indonesia; no one has suggested that it include more remote areas like Annam, Tonkin, and the Philippines, to which India historically has never made any significant cultural contribution. India's leaders are not unaware of their country's inadequacies for playing such a role, especially its lagging agricultural and industrial production, lack of shipping and naval facilities, and the paralyzing effects of the current feud with Pakistan over economic relations and Kashmir. These disabilities India expects to overcome in time. Meanwhile New Delhi considers it expedient to continue its affiliation with the British Commonwealth under conditions which entail a minimum of obligations. Nevertheless, Pandit Nehru obviously intends to pursue India's long-range policy objectives in southeast Asia independently of Britain, to avoid any alignment with East or West, and to resist subordination to non-Asian interests generally.

Nehru has attempted to cultivate the good will of southeast Asia in numerous ways. He has championed the liquidation of colonial regimes in the area, proposing on one occasion an Asian Monroe Doctrine in opposition to continued foreign interference in Asia's affairs. He has encouraged the participation of all of the new states in neighborhood matters and in the United Nations as well, where India aspires to control a bloc of south Asian votes. He has sponsored numerous Asian conferences. He has demonstrated great moderation in dealing with the Burma and Ceylon governments, with which India has important outstanding differences. Repeatedly at FAO meetings, at successive ECAFE conferences, as well as at the sessions of the UN General Assembly, India's delegates have insisted that the desires of the Asian nations must be taken seriously and that their destinies can no longer be determined by the Western powers. Nehru has demonstrated no corresponding interest in supporting an ideological anti-Communist bloc in the area. He has shown much less concern for the liberation of Indochina than for Indonesia, possibly to avoid overreaching himself. He has also acquiesced in continued British rule in Malaya, where no highly developed independence movement exists, as part of his compromise with London.

It can be inferred, nevertheless, that India is clearly not prepared to countenance Chinese dominance throughout southeast Asia. Nehru's policy of refusing to countenance any claims for dual citizenship on the part of Indian residents in southeast Asian countries is designed not only to foster friendly relations with the countries concerned, but to cut the ground from under

any future attempt on the part of China to exploit the dual citizenship principle as an excuse for intervention. This divergence of policy between China and India was clearly demonstrated at the Inter-Asian Relations Conference of 1947, when, in contrast to India's labored friendliness, Chinese allegations of the mistreatment of Chinese by all of the smaller countries of southeast Asia aroused sharp replies from Burmans and others.

Indian opinion would like to regard China itself, whether nationalist or Communist, as an Asiatic power, basically friendly, which possesses an inherent right to determine its own domestic policies and to exercise a legitimate interest in the affairs of its immediate sphere of influence. Hence New Delhi's decision to recognize the new China government. Exactly how far India's tolerance would go it is impossible to say. India would undoubtedly object to Chinese interference in areas where India claimed a direct economic or security interest, such as Burma or Tibet, but might concede that Peking had a corresponding right to object to the continuance of French rule in Indochina on grounds of China's own security and anti-imperialistic principles. If concerted measures to check Chinese Communist aggression in southeast Asia should eventually become necessary, India would probably insist that the wishes of the local nationalistic elements, including Viet Minh, be taken into account and that the matter be handled if possible through the United Nations Security Council, of which India is currently a member. New Delhi will strongly resist any arbitrary decisions made by the Western powers, and unless the necessity for an open break with China arises, India will endeavor to establish friendly and mutually helpful relations with the Peking government. Anti-imperialism will probably continue to take precedence over anti-Communism until conclusive proof is forthcoming that Mao intends to act as the agent of Moscow's disruptive revolutionary program for southeast Asia.

India's views with respect to China are important because they will probably influence decisively any decision which the states of southeast Asia may take at any future Asian conference. They are also significant as setting certain limits within which British Commonwealth policy will probably fall.

### Role of Great Britain

Britain's policy objective for southeast Asia is to re-establish as far as possible the influence and prestige that made London the virtual arbiter within the area prior to World War II. At the close of the war the British took full advantage of the authority vested in Lord Mountbatten as Supreme Allied Commander for southeast Asia to set up at Singapore the rather presumptuous but very useful office of Commissioner

for Southeast Asia to handle on a cooperative basis the allocation of such essentials as fuel, food, and shipping throughout the area included in Mountbatten's command. This office is now combined with that of Governor-General for British possessions in Malaya and adjacent islands. But the British holdings in Malaya and Borneo do not constitute an adequate base from which to exercise extended influence, especially since the myth of the impregnability of Singapore was thoroughly smashed by the Japanese in 1942. Britain's naval base in Ceylon, her temporary treaty rights of a military character in Burma, coupled with her influential economic position in Thailand, do not broaden that base significantly.

Britain's only chance of restoring a portion of her once dominant influence in the area, therefore, is to approach that objective through the Commonwealth framework, as was done in the recent conference at Colombo. The revival of the prewar partnership with the Indian subcontinent, under which the latter's manpower and resources were added to Britain's naval power, shipping facilities, and directing genius, is urgently required. This means in practice that London will pay deference in southeast Asian matters to the wishes of India and Australia in particular, both of whom have demonstrated consistently an active and independent interest in the area. After paying the heavy price of renouncing the requirement of allegiance to the Crown in order to keep India within the Commonwealth circle, London is not likely to go flatly contrary to India's wishes with respect to southeast Asian policy. The identity of interest which both governments have in establishing profitable trade relations with China and in recognizing the new Communist regime has been widely noted in the press. How far their reported differences will go with respect to Indochina policy remains to be seen. British spokesmen have little confidence in the capacities of Viet Minh to govern Indochina, and favor recognizing Bao Dai; but London will hesitate, in the face of Indian objection, to strengthen French authority within the area if nationalist sentiment is solidly against Bao Dai. Above all, London is concerned to exploit the current crisis as a means of strengthening the cohesion of the Commonwealth.

### Suggestions for American Policy

Although it is patent that American policy with respect to a possible federation for southeast Asia must take into account many considerations of a world-wide character which fall outside the scope of a brief analysis of the problem in local terms, it is equally clear that the viewpoints and desires of the Oriental peoples concerned cannot be ignored. It may not be overpre-

sumptuous, therefore, to enumerate several tentative conclusions.

1. The key to any basic solution of the southeast Asian crisis is to work out a negotiated settlement of the controversy between the Vietnam nationalists and the French in Indochina. Bao Dai may not be entirely a French puppet, but he apparently has no nationalist following. While admitting the risks involved in offering major political concessions to Ho Chi Minh, one must recognize also the greater perils involved in supporting the French-sponsored regime, for such a policy would assure continuance of Chinese Communist intrigue in Indochina, and would stimulate distrust of the United States on the part of the very peoples of southern Asia whom the policy of containment of Chinese Communism is supposed to benefit.

2. It is necessary to recognize that the demands for radical economic and social reforms in southeast Asian countries have a genuine basis in local grievances, and that even revolutionary efforts toward their amelioration need not imply acceptance of the objectives of Soviet foreign policy unless, indeed, determined resistance on the part of the United States and other Western powers to needed change plays into Moscow's hands.

3. An American-sponsored program to revive production and commerce throughout the Far Eastern area in cooperation with local nationalist groups and utilizing the industrial resources of Japan and India could be developed in striking juxtaposition to the disruptive Soviet-Communist policy of continuous revolutionary agitation, which is calculated to sacrifice the well-being of Asian peoples to the ulterior objectives of Soviet Imperial policy in Europe.

4. If the new Communist regime in China can be reassured that no West-sponsored vendettists are plotting its downfall, a powerful appeal could then be made for China's cooperation in developing mutually advantageous commercial relations with neighboring countries of eastern Asia. Even though China should rebuff the approach, the policy would appeal strongly to other Asian countries and operate to counteract Communist influence.

5. Not the least of the many barriers in the way of eliminating the shadow of possible Soviet domination over southeast Asian countries is the difficulty which Western peoples have in arriving at an imaginative and understanding assessment of the local situation. Preconceived ideas die hard. Another task is to find trained persons sufficiently interested in promoting peace in the Orient to man any agreed program under Point Four or any other scheme for recovery and reintegration as contemplated in a federated Asia. America will not achieve peace in Asia unless it is willing to work for it.



IPR conference in Northwest discusses implications for United States and Canada of recent events in Asia; need for economic aid stressed.

**EDITOR'S NOTE:** *The twelfth in a series of annual conferences jointly sponsored by the Pacific Northwest Division of the American Institute of Pacific Relations and the two British Columbian branches of the Canadian Institute of International Affairs was held at Seattle, Washington, November 18-20, 1949. The following summary of the discussions is based on the fuller record prepared by Urban G. Whitaker and edited by Charles P. Rockwood.*

**T**HE SEATTLE CONFERENCE met at a critical period in history, with an old government apparently collapsing in China, and a new state arising in Indonesia. Familiar horizons were contracting rapidly, while new ones were opening up. The conference, like others held by the IPR, sought first to ascertain the facts, then to clarify the issues of foreign policy presented by the changing international picture. No resolutions were passed, but the discussions revealed certain trends of informed opinion in western Canada and the United States.

The conference members, numbering about 150 and drawn from many walks of life, were chosen for their special knowledge and experience of the Far East. Their opinions diverged widely, but on three major points there seemed to be a majority consensus. (1) In policy proposals, economic measures received greatest emphasis, political and educational measures next, and military measures last. (2) Preference was expressed for international action through the United Nations, wherever possible, rather than unilateral action. (3) Most members believed that the new Chinese government would be recognized sooner or later; the debate was over timing, terms, and conditions.

There were few significant differences between Canadian and American opinion. The group divided, when it did, along other than national lines. Canadian interests in the Far East were described as similar to those of the United States, but less extensive.

## Ends and Means

The conference proceeded on the assumption that raising the standard of living in any nation will, in the long run, benefit all nations. Much of the discussion was therefore concerned with improving living standards in Asia. The development of free societies was also stressed as a desirable goal, but opinions differed

as to how it might best be achieved. Some members felt that the Western nations should concern themselves less with the negative political aim of anti-Communism and more with betterment of the economic condition of Asian peoples as a necessary basis for positive political progress.

A coordinated policy, combining economic, political, and cultural elements, was widely advocated. Such a policy must be flexible, it was noted, as conditions vary greatly in different parts of Asia, and many things which Westerners desire can be realized, if at all, only by a long process of evolution. Hence a given political aim may at present best be furthered by economic means in one area, educational in another, and so on.

Another segment of opinion, however, viewed the problem primarily in terms of political and military power. From this standpoint, containment of Communism was felt to be the principal objective, and chief stress was placed on the non-Communist countries peripheral to China. Other members, rejecting this approach, argued that a policy of working only with non-Communist countries would sacrifice many opportunities for effective action; they thought that Western aims would be best advanced by an overall program. Some members believed that instead of ignoring Communist countries or trying to checkmate them, it would be more sensible to cultivate them, in the hope of splitting the Communist front by encouraging Titoist trends. This suggestion drew heavy fire from others, who maintained that open encouragement of a rift with Russia would arouse such strong antagonism that it would defeat its own purpose.

In the execution of policy, the importance of the time factor was recognized. Some members argued that the revolutionary avalanche is rolling at such a pace that long-range economic or educational plans do not meet the situation; quicker and sterner methods must be adopted. It was noted that the time factor varies in different areas, as do economic conditions. Policy-makers, many felt, should have both short-term and long-term plans in readiness, applying whichever seemed appropriate in a given situation.

## Problems of Economic Aid

Economic assistance to the countries of southern Asia was generally accepted as an essential condition of any successful political program. The question was raised, however, whether the West—meaning chiefly the United

States—can afford such assistance on the necessary scale. Some economists were of opinion that the United States could sustain for a long period an annual expenditure of around \$5 billion to promote economic recovery and development abroad. They added that aid to Asia, in addition to aid to Europe, would not necessarily represent an extra burden, since, in part, it would simply mean taking over aid-to-Asia programs now carried by European recipients of ECA funds. Moreover, dollars given to Asia, and spent in Europe, would lessen Europe's need for dollar grants from the United States.

It was not considered desirable to restrict the use of grants or credits to Asian countries, as by specifying that they be spent in the United States. Dollars, an economist declared, will always come home in the end, and the more they circulate in the mean time, the more good they will do in promoting world trade and prosperity. For similar reasons it was held that the terms of American aid should be such as to encourage trade between Asian countries, as well as between Asia and the United States. But it was emphasized that economic recovery abroad depends on maintaining a stable level of United States imports.

President Truman's Point-Four program was viewed with approval, and it was pointed out that with proper direction and coordination, a comparatively small investment may produce mutually beneficial results out of proportion to its size. Many felt, however, that government-to-government transactions must play a leading role, since private investment is not, unfortunately, likely to be attracted to the areas where development funds are most needed. In this connection the strong trend toward economic planning, as a short-cut to industrialization, which exists in many parts of the world including Asia, was noted as a fact that must be taken into consideration in dealing with Asian countries.

### **Educational Interchange**

From a long-range standpoint, it was suggested that education might be the best means of promoting in Asia the values of Western civilization. It was admitted that many American-educated Chinese had recently given their support to the Chinese Communists, but this, it was asserted, did not necessarily mean that they had forgotten all they had learned in the West. Training in agricultural science, medicine and public health, it was emphasized, are especially important in China and neighboring countries. Several members urged that any educational program should be a two-way exchange, since the West needs to be educated about Asia as much as Asia needs to learn from the West.

The prevailing sentiment was against unilateral action by one country, which, it was said, would lead to

endless crossing of wires and wasteful duplication of effort. It was recognized, however, that in some situations, where multilateral action would encounter insuperable difficulties, unilateral measures, or bilateral arrangements, might be necessary. The International Fisheries Commission of Canada and the United States was cited as a successful example of a type of bilateral cooperation which might be applied in Asia.

There was considerable disagreement as to the efficacy of United Nations action in Asia. Some members declared that despite the UN, we live in a two-power world, and that because of the veto, the UN cannot be counted on to carry out an effective program of economic aid to Asia. Decisions could be reached more speedily on a regional basis, it was held, since only seven or eight countries are primarily concerned. Others, who pointed out that the UN has already accomplished a great deal, doubted that regional action would be any more effective. The chief stumbling-block in either case, it was said, is the refusal of nations to surrender any part of their national sovereignty. Nevertheless proposals for some form of regional cooperation outside the UN, pooling the resources and coordinating the efforts of interested countries, were discussed at some length and received a good deal of support.

Chief among the dangers to be avoided in any program for action in Asia, it was asserted, was that of adopting a condescending or overbearing attitude toward the new nations of the region, all of which are characterized by a vigorous and sensitive nationalism. The legacy of colonialism must be lived down, it was said, and these nations must not be made to feel that they are being used as pawns of larger powers. Some members suggested that, for this reason, the United States should not be a party to any Pacific Pact. Nor, it was argued, should political strings be attached to economic aid; if a program is economically sound, its political or military consequences need cause no concern. For example, sound measures to develop Indian-American trade should not be thwarted by fear that India may carry on trade also with some Communist countries.

### **China: Problems of Recognition**

There was general agreement that the Peking government would eventually be recognized by all major powers and would take its seat in the United Nations. Most members of the conference believed that the advantages of recognition would outweigh the disadvantages. The suggestion that denial of recognition be used as an ideological weapon received comparatively little support. The majority considered recognition to be merely a technical procedure which would facilitate economic and cultural exchanges desirable from the



point of view of Western countries. Differences between China and the West could, it was held, be more easily adjusted through the normal channels of diplomacy.

Some members thought that recognition should have been granted as soon as the new government was formed, but since the psychological moment had passed, that it would be better to wait until military opposition by the Nationalists had entirely disappeared. Others declared that the United States had no further obligation toward the Nationalist government, and that the longer recognition was delayed, the more fuel would be provided for Communist propaganda. The conditions of recognition, it was suggested, should be the promise of "no iron curtain" and of respect for China's international obligations. Recognition, it was agreed, would not imply approval of the new regime.

## Japan: Nationalization vs. Free Enterprise?

EDITOR'S NOTE: *The author of the following communication, Joseph W. Ballantine, was formerly a Foreign Service officer in Japan, Director of the State Department's Office of Far Eastern Affairs, and Special Assistant to the Secretary of State, and is now with the Brookings Institution.*

I HAVE READ WITH INTEREST Miss Hadley's article entitled "Japan: Competition or Private Collectivism?" in the December 14 issue of the *Far Eastern Survey*. It impresses me as being a very competent presentation of one point of view. I should like, however, to invite attention to the fact that there is another point of view, which I summarize briefly, as follows:

(1) No comprehensive changes from authoritarianism to individual political responsibility can be brought about in Japan by enactments imposed more or less arbitrarily from the outside. "Reforms" so introduced that are not freely accepted by the Japanese leaders and people are unlikely to outlast the Allied occupation. There is danger that the resentment that may be aroused by the application of pressures to get innovations adopted might seriously prejudice the permanent success of our program of democratization as a whole. Moreover, are the Japanese not as likely to emulate the example of our undemocratic methods in introducing measures as to be influenced by what we preach?

(2) It seems idle to expect that the Japanese people will become either democratic or peace-loving unless they are assured a decent and honorable livelihood, for which reason it would appear that the objective of restoring a self-supporting Japan should be

given an absolute priority over the objective of democratization wherever the means calculated to further the one objective impede furtherance of the other. In this case, the disorganization that would have followed from the carrying out as originally contemplated of the economic decentralization program (now drastically modified) and the elimination from positions of leadership in business of many who achieved their positions on merit under a system of non-discriminatory competition (this elimination has been achieved under the "purge" program, the modification of which is now being urged by Japanese leaders) cannot but be a deterrent to recovery.

(3) While there should be no reasonable objection to measures designed to break up cartels and monopolies in restraint of trade, the clean sweep that was first proposed of the *Zaibatsu* (family-owned combines) to include operating companies, as well as holding companies, and procedures such as those amounting virtually to confiscation of *Zaibatsu* holdings and debarment of persons in selected categories from holding important positions in business, have gone beyond anything public opinion would be likely to support having done in this country.

(4) It is doubtful whether outside the *Zaibatsu* a sufficient number of entrepreneurs can be found with the requisite enterprise, know-how, and capital to preside over national economic recovery. Small business units would be at a great disadvantage in competing with foreign enterprise in international trade, the revival of which is the key to Japan's general economic recovery. Consequently the program that Miss Hadley seems to favor would appear to be more likely to force Japan into state socialism than to promote free enterprise. Miss Hadley regards the alternatives as between competition and private collectivism, but are they not rather really as between nationalization of industry and free enterprise? Furthermore, would not nationalization of industry lend itself to the purpose of a revived militarism even more effectively than did the private collectivism under the former *Zaibatsu* system?

JOSEPH W. BALLANTINE

### AMERICAN MAGAZINES IN JAPAN

The Japanese language edition of *Reader's Digest*, with a circulation of over 1,500,000, is Japan's best-selling magazine, according to a SCAP report of October 1949. Also printed in Japan (in English) are *Time*, *Newsweek*, and the *New York Times* overseas weekly. Other American magazines on sale in Japan are *Life*, *Collier's*, *American*, *Woman's Home Companion*, and *Omnibook*, copies of which are imported from America.

## BOOKS ON THE PACIFIC AREA

**THE NEW WORLD OF SOUTHEAST ASIA.** By Lennox A. Mills and associates. Minneapolis: University of Minnesota Press, 1949. 445 pp. \$5.00.

"To explain the present situation in Southeast Asia" is the purpose of this book. But few American scholars have been given the chance to work in more than a small sector of that region, and no individual can interpret it except in very general terms. In the circumstances, Professor Mills has chosen just about as good a team as could be had. Amry Vandembosch, Kenneth P. Landon, Victor Purcell, Claude A. Buss, John F. Cady, and of course the editor himself, are known to readers of this journal as reliable guides. Roland S. Vaile contributes a succinct piece on Southeast Asia in *World Economics*, and Charles A. Micaud an essay on Indochina of unusual freshness and appeal.

These writers have different ideas about the relative importance of political, economic, and historical factors—also basic geographical ones. Considering the present rudimentary state of popular knowledge, some of them seem to have stayed too close to passing events to open up real insights, but perhaps they thought that other literature is available to provide the background. More regrettable is an occasional tendency to look at the peoples of southeast Asia primarily from the standpoint of outside—specifically American—interests, instead of following the trends of their inner development. This, however, is to some extent compensated for by Professor Mills' own stimulating essay on Problems of Self-Government. Americans must concern themselves with these problems if public opinion is not to veer from a thoughtless enthusiasm for every step toward self-rule to a blind contempt for new national parties and governments when they follow dangerous paths, as some of them probably will.

The situation in the region as a whole is much more complicated than was that in Latin America at a like stage of emancipation from colonial rule. It is complicated within each of the countries, and one should not lightly judge their political programs and actions. The student must master much detailed information, confusing though he may sometimes find it, if he is to arrive at a sound conspectus. There are, of course, connecting threads. Of these Communist intrigue, though it receives so much attention in the press, is important only as a surface phenomenon; the common man's new-found courage to revolt against oppression reaches more deeply and is therefore far more significant.

Space does not permit singling out for mention the many pages that bring new data and original interpretations even to the well-read. Suffice it to say that, with almost none of the usual shortcomings of symposia of this sort, the job as a whole is an exceedingly satisfactory one. BRUNO LASKER

**JAPAN SINCE PERRY.** By Chitoshi Yanaga. New York: McGraw-Hill, 1949. 723 pp. \$6.00.

All persons interested in Japan's modern development will welcome the appearance of a single volume concentrating on Japan since 1850. The thirty-six chapters of this work are fairly evenly distributed through the main periods of Japan's recent history from the opening of Japan by Perry to the rise and defeat of the militarists and the occupation of Japan

under General MacArthur. Each chapter is presented as a topical unit and all aspects of Japan's development—political, cultural, economic, social, and diplomatic—have been treated. As indicative of the emergence of Japan on the international scene, the last half of the work concentrates on political and diplomatic history, but many readers may feel that basic economic forms have not been given enough importance. Furthermore, no mention is made of the effect on Japan of American expansion in the Pacific at the turn of the century and only a brief account is given of the formation of Allied policy toward Japan during World War II.

The real value of this work, however, lies in the vast amount of carefully compiled, detailed information on the main events and personalities in Japan in the past century which Professor Yanaga has collected over a long period of study. Students of Far Eastern history and the general reader alike will find his volume an indispensable and convenient reference and guide to Japan's modernization and defeat.

Columbia University

HUGH BORTON

## NEWS CHRONOLOGY

January 6 to 19, 1950

January 6: *China.* Britain and Ceylon offer de jure recognition to the Peking government.

January 6: *India.* Prime Minister Nehru discloses that India has proposed to Pakistan a joint declaration rejecting war as a measure toward solving the numerous issues between the two Dominions.

January 6: *Japan.* The Communist Information Bureau criticizes Sanzo Nosaka, Japanese Communist leader, accusing him of a "bourgeois attitude" and subservience to "imperialist occupiers."

January 7: *Indochina.* Nguyen Phan Long, premier of the Bao Dai regime, states that Vietnam will recognize the Peking government of China when France does so.

January 8: *China.* The Peking government formally demands that the UN Security Council oust the Nationalist representative, according to a Peking dispatch.

January 8: *Philippines.* President Elpidio Quirino, in San Francisco, states that Philippine recognition of the Peking government of China is "inevitable" if that government gets complete control of China, is accepted by its own people, and can maintain order by standards of international law.

January 9: *British Commonwealth.* The conference of Commonwealth foreign ministers opens in Colombo, Ceylon.

January 9: *China.* Mme. Chiang Kai-shek, leaving the United States for Formosa, vows a long war against the Chinese Communists and decries Britain's offer of recognition to Peking. The American merchant ship *Flying Arrow*, attempting to run the Shanghai blockade, is shelled by Nationalist warships.

January 9: *Indonesia.* Dr. D. Sumitro, first envoy to the US from the United States of Indonesia, states that his country has opened negotiations with the Export-Import Bank for a loan to "start production in Indonesia."

January 9: *Japan.* In a poll of American companies having business interests in Japan, a majority of those replying state that they "would be obliged to reconsider the desir-



ability of doing business with Japan" if the 50 percent tax on all incomes over \$5,000 were extended to include foreign businessmen.

January 10: *China*. The Soviet representative leaves a meeting of the Security Council in protest against the Council's refusal to consider immediately the ouster of the Chinese Nationalist representative. The US sends two destroyers to help the *Flying Arrow* to any port but Shanghai. The People's Bank of China fixes official exchange rates at 23,000 "people's currency dollars" to one US dollar and 64,400 to one pound sterling.

January 10: *Indonesia*. A government spokesman says that a former Dutch Army captain leading a private rebel army in West Java has threatened open warfare against the government. The Dutch have disavowed the captain's actions.

January 11: *Indonesia*. Renewed hostilities between regular Indonesian troops and Darul Islam insurgents in West Java and Borneo result in 14 deaths.

January 11: *Philippines*. The Foreign Office announces its decision to prohibit the immigration of Chinese tourists and visitors above the annual quota limit of 500 accorded to all foreign nationals.

January 12: *China*. In an address to the National Press Club, US Secretary of State Acheson asserts that the "single most important fact" shaping US Far Eastern policy is the "attaching" of Outer and Inner Mongolia, Manchuria, and Sinkiang by the Soviet Union. He warns against "foolish adventures" that could divert the anger of the Chinese people to the US. Formosan news dispatches report the establishment by Communist forces of a beachhead on the southwest coast of Hainan. Nationalist military spokesmen deny this report but state that there is some guerrilla activity on Hainan.

January 12: *Japan*. The Communist Party, replying to Cominform criticism, admits some errors but defends its policies.

January 13: *China*. The Peking government seizes US consular properties in the capital. The UN Security Council rejects a proposal to oust the Chinese Nationalist delegate and the Soviet delegate again leaves the meeting.

January 13: *Korea*. In reply to an accusation by the head of the Korean Chamber of Commerce that the US is pursuing a "negative" policy in the Far East, Ambassador-at-large Philip C. Jessup warns that the US is interested in helping only those nations which help themselves.

January 13: *Philippines*. Finance Secretary Pedrosa, in reply to a charge by Secretary of State Acheson that the Philippines has used American aid unwisely, implies that graft has existed but that US aid has hardly compensated for Philippine war damage.

January 14: *British Commonwealth*. The Commonwealth conference in Ceylon is adjourned. Agreement is reported on (1) the recognition of the Bao Dai regime in Indochina; (2) early consideration of a Japanese peace treaty; (3) a joint loan of \$7,500,000 to Burma to help finance her export rice crop; and (4) a Commonwealth mutual aid program aimed especially at the economic development of south and southeast Asia.

January 14: *China*. Secretary of State Acheson orders the withdrawal of all US consular personnel from the Chinese mainland. Sweden recognizes the Peking government.

January 14: *Korea*. President Syngman Rhee states that Korea does not fear a runaway inflation as "some in the

United States" appear to do. It is reported that the price of rice in south Korea has roughly doubled during the past six weeks.

January 15: *China*. The US State Department reports that Chinese Communist officials have seized French and Dutch diplomatic properties in Peking.

January 15: *Philippines*. The Central Bank modifies its exchange rules to exempt foreign residents from controls on money they obtain from sources, goods, or services outside the Philippines.

January 16: *China*. Soviet delegations leave sessions of three organs of the UN Economic and Social Council over the question of the Chinese Nationalist ouster. Ambassador-at-large Jessup confers with Chiang Kai-shek in Formosa.

January 17: *Burma*. A supervisory commission finds that the scheduled May 4 elections must be postponed unless the internal situation improves.

January 17: *China*. The UN Security Council rejects a Yugoslav proposal for the ouster of the Chinese Nationalist delegate. Switzerland recognizes the Peking government.

January 18: *China*. The Nationalist military commander on Hainan claims the destruction of a 2,000-junk Communist fleet massed for the invasion of the island. The Peking radio states that the seizure of foreign diplomatic properties in Peking is justified on the ground that the land was originally acquired under unequal treaties and is now needed for military purposes.

January 18: *India*. India charges that Pakistan has banned all rail passenger and freight traffic between India and East Pakistan.

January 19: *Indochina*. The Peking government of China recognizes Ho Chi Minh's Republic of Vietnam.

January 19: *Japan*. The Soviet delegate to the Far Eastern Commission leaves the session in protest over the presence of the Chinese Nationalist delegate.

January 19: *Korea*. A coalition of Republicans and southern Democrats in the US House of Representatives defeats an Administration bill to provide \$60 million in economic aid to Korea.

The FAR EASTERN SURVEY accepts no responsibility for the accuracy of items in the "News Chronology." The chronology is based on reports in the *New York Herald Tribune* and the *New York Times*. It is prepared by Irving I. Kramer.

## FAR EASTERN SURVEY

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The Annual Meeting of the American Institute of Pacific Relations, Inc., will be held at five P.M. on Tuesday, February 21, 1950, at the National Office, One East Fifty-fourth Street, New York, for the election of Trustees and for action upon such other matters as may properly come before the said meeting.

103110

The following page contains the ballot for the election of the Trustees, listing nominations presented by the National Nominating Committee in accordance with the By-laws.

Preceding the ballot is a formal proxy which you are asked to sign and return promptly together with the ballot. Your proxy or proxies will cast your vote in accordance with the instructions contained in your returned ballot. Please indicate your choice by a check placed in front of each name for which you wish to vote. Your instructions will be followed but if you indicate no choice, or if you vote for less than the entire number permissible in any category, then (unless you instruct to the contrary) your proxies' vote will be cast in favor of the names checked, if any, and for such of the nominees as they, or either of them, may in their discretion determine. For your convenience, there is enclosed an addressed, prepaid envelope.

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PROXY

FOR ANNUAL MEETING OF MEMBERS, Tuesday, February 21, 1950

THE UNDERSIGNED MEMBER of the American Institute of Pacific Relations, Inc., revoking any previous proxies given for such meeting, hereby constitutes and appoints Clayton Lane and Katrine R. C. Greene, each of them, the true and lawful attorneys, agents and proxies of the undersigned, with full power of substitution and revocation to each of them, to vote, as the attorneys, agents and proxies of the undersigned at the Annual Meeting of the members of the American Institute of Pacific Relations, Inc., a membership corporation of the District of Columbia, to be held at the National Office of said American Institute of Pacific Relations, One East Fifty-fourth Street, New York, at five P.M., Tuesday, February 21, 1950, and at any adjournment of the said meeting, for the election of the trustees of the American Institute of Pacific Relations, Inc., whose names appear on the accompanying ballot, to hold office beginning February 21, 1950, to designate the trustees who are to fill out unexpired terms, and to vote upon any other matters that may properly come before the said meeting or any adjournment thereof, with all powers which the undersigned would possess if personally present, hereby ratifying and confirming all that the said attorneys, agents and proxies, or either of them, who shall be present and act at the said meeting, or their substitute or substitutes may lawfully do in or about the premises by virtue hereof. If no choice, or less than the entire number permissible, is indicated in any category contained in the ballot, the vote of the undersigned is to be cast for those named, if any, and in favor of such of the nominees as the proxies, or either of them or their substitutes, may in their discretion determine.

IN WITNESS WHEREOF the undersigned has executed this instrument under seal the \_\_\_\_\_ day of \_\_\_\_\_

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(L.S.)

# BALLOT

FOR THE ELECTION OF TRUSTEES TO HOLD OFFICE FOR  
THREE YEARS (UNLESS OTHERWISE INDICATED) BEGINNING  
FEBRUARY 21, 1950

In accordance with the By-laws, each member, regardless of geographical division, is entitled to vote for the Trustees to be elected from every division. Accordingly, each member is asked to designate his or her choices under all the categories indicated below.

The following nominations have been presented by the Nominating Committee in consultation with the region concerned, but spaces have been provided for any other person or persons for whom the members may prefer to vote. Brief biographical notes on each candidate will be found on the next page. An asterisk (\*) indicates the nominee is at present a member of the Board.

## Boston

Vote for TWO

- ☐ RUPERT ~~X~~ EMERSON\*
- ☐ JOHN K. ~~X~~ FAIRBANK\*
- ☐ \_\_\_\_\_

## Chicago

Vote for ONE

- ☐ LOUISE L. ~~X~~ WRIGHT\*
- ☐ \_\_\_\_\_

## Hawaii

Vote for TWO

- ☐ WALTER F. ~~X~~ DILLINGHAM\*
- ☐ CHARLES F. ~~X~~ LOOMIS
- ☐ \_\_\_\_\_

## Inland Empire

Vote for ONE

- ☐ HERBERT ~~X~~ WOOD
- ☐ \_\_\_\_\_

## Pacific Northwest

Vote for FIVE

- ☐ CHARLES F. ~~X~~ CLISE\*
- ☐ JOHN P. ~~X~~ HERBER
- ☐ HERBERT S. ~~X~~ LITTLE\*
- ☐ CHARLES E. ~~X~~ MARTIN\*
- ☐ HENRY F. ~~X~~ SHOEMAKER
- ☐ \_\_\_\_\_

## Washington, D. C.

Vote for TWO

- ☐ OWEN ~~X~~ LATTMORE\*
- ☐ GEORGE C. ~~X~~ MARSHALL\*
- ☐ \_\_\_\_\_

## New York

Vote for SIX

- ☐ HUGH ~~X~~ BORTON\*
- ☐ H. CLIFFORD ~~X~~ BROWN\*
- ☐ LINCOLN C. ~~X~~ BROWNELL\*
- ☐ CHARLES K. ~~X~~ GAMBLE\*
- ☐ W. R. ~~X~~ HEROD\*
- ☐ GERARD ~~X~~ SNOPE
- ☐ \_\_\_\_\_

## Not Otherwise Designated

Vote for THREE

- ☐ GEORGE B. ~~X~~ CRESSEY\*
- ☐ C. B. ~~X~~ MARSHALL
- ☐ J. MORDEN ~~X~~ MURPHY
- ☐ \_\_\_\_\_

(One of the New York Nominees will be designated to fill a term expiring in 1951. One of the Not Otherwise Designated Nominees will be designated to fill a term expiring in 1952.)

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- X BROWNELL, LINCOLN C. - American Banknote Company, New York. Air Attache, U. S. Embassy, Chungking, 1942-44.
- X CLISE, CHARLES F. - President, Washington Securities Company, Seattle. 103111
- X CRESSEY, GEORGE B. - Chairman, Department of Geography, Syracuse University. Author: "Asia's Lands and Peoples", etc.
- X DILLINGHAM, WALTER F. - President, Oahu Railway & Land Company, Honolulu.
- X EMERSON, RUPERT - Professor of Government, Harvard University. Author: "Malaysia", etc.
- X FAIRBANK, JOHN K. - Professor of History, Harvard University. Author: "The United States and China", etc.
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- X HERBER, JOHN P. - President, John P. Herber & Company, Seattle; Director, Far East-America Council of Commerce and Industry.
- X HEROD, W. R. - President, International General Electric Company, New York.
- X LATTIMORE, OWEN. - Director, Walter Hines Page School of International Relations, The Johns Hopkins University, Baltimore. Author: "The Situation in Asia", etc.
- X LITTLE, HERBERT S. - Attorney: Little, Leader, LeSourd & Palmer, Seattle.
- X LOOMIS, CHARLES F. - Secretary, Hawaii Group, American IPR.
- X MARSHALL, C. B. - Director, India Section, Standard-Vacuum Oil Company, New York.
- X MARSHALL, GEORGE C. - Former Secretary of State. Chairman, National Red Cross.
- X MARTIN, CHARLES E. - Professor of Political Science, University of Washington, Seattle.
- X MURPHY, J. MORDEN - Assistant Vice President and Chief, Far Eastern Section, Foreign Division, Bankers Trust Company, New York.
- X SHOEMAKER, HENRY F. - Vice President and Director, Barclay & Company, Seattle. Formerly, Foreign Department, Chase Bank, New York.
- X SNOPE, GERARD - Former President, General Electric Company. Chairman, American IPR.
- X WOOD, HERBERT - Professor of History, State College of Washington, Pullman.
- X WRIGHT, LOUISE L. - Director, Chicago Council on Foreign Relations.

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Hawaii

1951 J. BALLARD ~~X~~ATHERTON, Mutual Telephone Company. ✓  
1952 G. W. ~~X~~FISHER, Bishop Trust Company, Ltd.  
1952 FRANK E. ~~X~~WIDKIFF, Bernice P. Bishop Estate.  
1952 JAMES H. ~~X~~SHOEMAKER, University of Hawaii.  
1951 GREGG M. ~~X~~SINCLAIR, President, University of Hawaii.  
1952 HEATON L. ~~X~~WRENN, Anderson, Wrenn & Jenks.

Inland Empire

1952 B. H. ~~X~~KIZER, Graves, Kizer & Graves.

Pacific Northwest

1951 EDWARD W. ~~X~~ALLEN, Allen, Froude, Hilen & De Garmo.  
1952 RAYMOND B. ~~X~~ALLEN, President, University of Washington.  
1952 RICHARD E. ~~X~~FULLER, Seattle Art Museum.  
1951 GEORGE E. ~~X~~TAYLOR, University of Washington. ✓

San Francisco Bay Region

1951 GEORGE T. ~~X~~SAMERON, San Francisco Chronicle  
1951 MARTHA A. ~~X~~GERBODE, Civic leader.  
1951 DANIEL E. ~~X~~KOSHLAND, Levi Strauss & Company.  
1951 ROBERT GORDON ~~X~~SPROUL, President, University of California.  
1951 BRAYTON ~~X~~WILBUR, Wilbur-Ellis Company.

Southern California

1951 DWIGHT L. ~~X~~CLARKE, Occidental Life Insurance Company.  
1951 ARTHUR G. ~~X~~COONS, President, Occidental College.

Washington, D. C.

1952 JOSEPH W. ~~X~~BALLANTINE, The Brookings Institution.  
1951 STUART P. ~~X~~BROCK, Congress of Industrial Organizations.  
1951 EMMET ~~X~~O'NEAL, U. S. Ambassador to the Philippines, 1947-49.  
1952 SUMNER ~~X~~WELLES, Former Under Secretary of State.

New York

1951 EDWARD C. ~~X~~CARTER, New School for Social Research.  
1952 JOSEPH P. ~~X~~CHAMBERLAIN, Columbia University.  
1952 BROOKS ~~X~~EMERY, President, Foreign Policy Association.  
1952 L. CARRINGTON ~~X~~GOODRICH, Columbia University.  
1952 CLAYTON ~~X~~JANE, Executive Secretary, American IPR.  
1951 DONALD B. ~~X~~STRAUS, Management-Employee Relations, Inc.  
1951 DONALD G. ~~X~~TENKSEBURY, Columbia University.

Not Otherwise Designated

1952 KNIGHT ~~X~~RIGGERSTAFF, Cornell University.  
1951 JOHN R. ~~X~~HERSEY, Journalist.  
1952 WILLIAM H. ~~X~~HOLLAND, Secretary-General, IPR.  
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# Far Eastern Survey

AMERICAN INSTITUTE OF PACIFIC RELATIONS

## Land Reform Plans in China

Communists aim at a revolution in land tenure but their present methods are cautious and orderly; reforms are farthest advanced in Manchuria.

BY WALTER SULLIVAN

A REVOLUTION IS BEING OPENLY PLANNED and prepared in China which in terms of numbers of people involved may be the greatest social upheaval of modern times. This is the land reform program of the Chinese Communists, which will presumably be in full swing by the end of this year.

A large proportion of the country's population, which itself numbers one-fifth that of the world, will be involved. The stages of preparation and land reallocation are proceeding at different paces in various parts of the country. The Communists' chief concerns appear to be:

1. To make the operation run as smoothly as possible so that food production—even at best inadequate for China's needs—does not sag.

2. To retain the backing of the majority of the rural population by satisfying the poor peasants' yearning for land and yet not alienating those of middle income.

The plans are thus distinguished by the comparatively cautious approach which was in great measure a contribution of Mao Tze-tung to Chinese Communism. The press in Communist areas has even reported "bewilderment" and "confusion" among some peasants when they did not receive land as soon as "liberation" came. The Communist Party has ruled, however, that organization and indoctrination must come first, with early reduction of agrarian rent and interest rates to bring quick relief to the poorer peasants.

Mr. Sullivan is a correspondent of the *New York Times*, who was stationed in Shanghai until late in 1949. This report is largely based on material from official Chinese Communist sources appearing in the Chinese press and available through various press translation services in Shanghai.

In the Russian Revolution the peasants drove out the nobility on their own, sacking their manors before the Communist Party extended its control to the countryside. When Lenin assumed leadership of the revolution he recognized this situation and called for immediate nationalization of the land and distribution of equal shares to the peasants. The great estates were cut up into minute plots and hence food production fell off perilously. In China the situation, of course, is entirely different; for one thing, farm lots are generally small to begin with. Nevertheless the Chinese Communists are apparently trying to avoid the practical disadvantages which the early Russian land reforms encountered.

This may be because they have had more experience in actual problems of government than the Bolsheviks of 1917. In the days of the Kiangsi and Fukien Soviets (1930-1935) the Chinese Communists carried on a radical program of class war against landlords, with

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redistribution of land to the cultivators. After their move to the northwest in 1935 their negotiations with Chiang Kai-shek on united resistance to Japan, they adopted a much more moderate policy featuring reduction of rents but no redistribution of land (except of "traitor" landlords). Following the end of the war in 1945 the peasants in many Communist-controlled areas themselves demanded a settlement of scores with landlords and the Party again shifted to a drastic program of dividing the land. The policy for newly-occupied areas, however, is moderate in its initial stages.

### Gradual Land Reform Outlined

This policy was explicitly set forth in the eight-point proclamation issued on April 25, 1949, to accompany the great Yangtze crossing and the conquest of the southern half of China. Signed by Mao Tze-tung as chairman of the People's Revolutionary Military Committee and by Chu Teh as Commander-in-chief of the People's Liberation Army, Point Seven of the proclamation read as follows:

The feudal landownership system in the rural areas is irrational, but it must be eliminated only after preparation and stage by stage. Generally speaking, reduction of rent and interest should be carried out first and land distribution later. Moreover, the land problem can only be really solved after the People's Liberation Army has arrived and work has been carried on for a comparatively long time.

The masses of peasants should organize themselves, assist the People's Liberation Army to carry out all kinds of preliminary reform work, and at the same time exert their efforts to cultivate the land, maintain the present agriculture level and then to raise it step by step in order to improve the livelihood of the peasants and to supply the urban markets with grain for the population. Land and houses in the cities cannot be dealt with similarly to those in the rural areas.

Thus the experience of the Russians and the marginal food problem in China seem to be very much in the mind of the Chinese Communist leaders.

Even though, in the past eighteen months, the Party has shifted its emphasis from the countryside to the cities, its future success rests as much as anything else on organization and indoctrination of the peasants. Not only is this, in their view, essential to land reform, but only thus can the foundations of their new society and new policy be laid.

The organic law of the new government opens by stating that the "democratic dictatorship" is to be led by the working class, based on the alliance of workers and peasants.<sup>1</sup>

The peasants are overwhelmingly the largest segment of Chinese society. By tradition they have been

politically inactive. They are to join with the urban proletariat to form the elite class of the new society; they must be organized and indoctrinated.

Hence an unprecedented program of indoctrination is now under way. A Rural Service Corps has been recruited by the tens of thousands from students, veteran Party members, and others, to go into every village across the land. They are organizing the inhabitants into nationwide "Peasants' Associations" and expounding the land program of the new regime.

Politically conscious peasants have also been selected and are now in training to play leading roles in these associations. This gigantic program appears to be a special province of the Communist Party, which has in most cases publicly issued the directives, rather than local military governments.

### Attention to Middle Peasants

The most recent reports on actual land reform indicate the following procedure: Middle-income peasants are to keep their property intact. That of rich farmers will be "requisitioned" (possibly with some compensation) and that of landlords confiscated outright. Redistributed land will go to the landless or to those with only meager acreage.

This is in contrast to the more punitive measures taken against landlords sixteen years ago. In December 1947 Mao Tze-tung wrote: "The mistake, committed in Southern Kiangsi between 1933 and 1934, of distributing no land to landlords and poor land to rich peasants must not be repeated. Finally, the middle peasants must be won over through satisfaction of their basic demands."<sup>2</sup>

The wooing of middle-level economic groups is typical of the policy developed by Mao for the interim stage which he named "New Democracy." In the treatise entitled *China's New Democracy* he wrote: "It [the government] will adopt certain measures to confiscate the land of big landlords and distribute it to the peasants who are without land or have too little of it." The objective, he said, was to realize the principle of Sun Yat-sen, "land to the tiller," and to end feudal relationships in the rural areas.

"This is different from establishing a socialist agricultural system," he wrote. "It only turns the land into the private property of the peasants. The economy

<sup>1</sup> Report to Central Executive Committee, Chinese Communist Party, December 25, 1947. Wang Ya-nan, writing in *Hsin Chung Hwa* (New China Semi-monthly), Shanghai, October 1, 1949, said: "The most precious, albeit painful experience they [the Communists] took with them on leaving the Soviet area was the fact that in their land reform they neglected the interests of the middle class farmers, something which proved a great obstruction to the progress of the Revolution."

<sup>2</sup> New China News Agency, April 26, 1949. This and other citations below are from the Agency's English Service.

<sup>3</sup> New China News Agency, October 9, 1949.



of the rich peasants' agriculture is allowed to run as usual."

Collectivism is thus deferred until after the period of New Democracy gives way to the stage of socialism. Manchuria seems in many respects an exception, however, since government enterprises almost monopolize that region and even enter the field of agriculture.

Seventeen state-run tractor farms have been officially reported in Manchuria, thirteen of them with over 2,000 *mu* (4,942 acres) cultivated. A total of 500 tractors was reported in Manchuria last October by the agricultural production director of the Northeast People's Government. In the tractor farms 55,000 acres of wheat, rice, soya beans, corn, kaoliang, and flax were being grown last summer, it was claimed, with 231 tractors for cultivation. Emphasis this year, it has been announced, will be on industrial crops such as cotton, hemp, and tobacco.

Organization of a huge state farm fifty miles northwest of Kalgan in Chahar province was announced August 23, 1949. Between 23,300 and 33,300 acres were to be ploughed this spring by over 200 tractors, it was said. Plans for another such farm in northern Chahar were also mentioned.

### Reforms in Manchuria and East China

Land reform has been completed in Manchuria and its manner of accomplishment may throw light on what is to come elsewhere. It began in July 1946, in north Manchuria, where it was completed by February 1948. By the spring of 1949 a similar land revolution had run its course in south Manchuria.

In the north Manchurian phase even the clothes of the landlords were divided. During the three months ending in February 1948, 12,000 carts were mobilized to collect and distribute 5,200,000 pieces of landlords' clothing, 780 pounds of gold and over 31 tons of silver. These figures are from official reports.

When the Northeast Administrative Council of the Chinese Communists dissolved on August 26, 1949, in favor of the newly-established Northeast People's Government, the chairman of the outgoing council, Lin Feng, summed up the work of the past three years. In the field of land reform he said that a grand total of 6,200,000 acres had been parceled out. The north Manchurian peasants got an average of 1.16 acres apiece and those in south Manchuria averaged half an acre. Lin Feng said "most" received one horse.

In north Manchuria 408,000 horses and oxen were distributed, with priority given to the poor, it was

reported. In Hokiang—the one region for which such figures were given—there was only one draft animal available for every 5.7 tillers. Large families had a better chance of getting a horse or ox, however, since distribution was based on tillers and not on families (as a means of de-emphasizing the family).

Lin Feng said that 3,560,000 acres were under cultivation—not much more than half the lands distributed, an indication of the disruption of rural areas after the revolutionary war. As an incentive for farm production a "par crop" is fixed for each farm, 20 percent of which must be given to the government as tax. Any production above par is tax free.

Several basic directives for the preparatory stages of agrarian reform in other parts of China were issued in September 1949. Their manner of issue illustrates the overt function of the Communist Party. On September 12 such directives, giving procedure for agrarian rent and interest reduction, were issued by the Central Plains People's Government.

Less than a week later the East China Bureau of the Chinese Communist Party issued similar regulations, plus a directive on formation of peasant associations. These two directives of the East China Bureau were then passed out on a provincial level by the provincial bureaus of the Party. For example they were apparently issued at a concurrent conference of the Chekiang Bureau and by October 5 the Shantung Bureau had also announced its rural reform plan.

The bailiwick of the East China Bureau of the Communist Party is a vast, densely populated and intensely cultivated region which extends, apparently, from just below Tientsin all the way down the coast to the borders of Kwangtung. In issuing its long directives of September 18 this Bureau said:

These draft regulations are now published so that they may serve as reference materials for the people's governments of various places in the East China area, conferences of people's representatives and conferences of peasants' delegates or their standing committees. It is hoped that all these organizations will discuss and adopt these draft regulations and that each of them will enact detailed regulations by taking into consideration the particular conditions in their respective districts.

Thus the Party plays an open role in guiding the government and other organs. The East China directives provide the most detailed information available on steps preliminary to actual land redistribution and probably indicate the pattern for all China Proper, except old Communist areas.

<sup>1</sup> *China's New Democracy* (Workers Library, New York, 1944), chap. IV. Originally printed in *Chinese Culture*, January 15, 1941, under title, "Politics and Culture of New Democracy."

<sup>2</sup> Material on Manchurian land reform from New China News Agency, September 11 and November 26, 1948; and July 21, August 23, and September 5, 1949. Also from *Liberation Daily*, Shanghai, October 5, 1949.

Land rent cuts of from 25 to 30 percent were ordered in East China. This applied to all rented farm lands including those providing income to government organs, schools, and religious institutions. Those leased out by "middle-class" peasants, however, were exempt.

### Cancellation of Debts

Arrears for rental prior to arrival of the Communists were canceled but other debts had to be paid no matter how old. However, if interest rates were "usurious" only the principal need be paid. A rate higher than 15 percent a month was considered usurious.

Debts in East China owed to "war criminals" or notorious "oppressors" were canceled outright and their lands confiscated, subject to approval by the provincial people's government. The East China directives were put into practice, among other places, at a "Conference of Peasants' Delegates" held during November in Fenghua County, Chekiang, where Chiang Kai-shek was born. The conferees set the average rent ceiling at 35 percent of the crop from the rented land.

Among other items on the agenda of this meeting was arraignment of twenty-eight landlords before the 2,000 delegates. Each had to apologize to his "victims" and one had to pay a fine of 100 bags of rice.

Comparing the new regulations to the 25 percent rental reduction program of the Kuomintang, a contributor to the *Economics Weekly* in Shanghai recently commented that the Kuomintang plan failed because it was administered by those who represented the interests of the landlords. The landlords got back what was taken away from them by collecting money "under various guises," he said.

<sup>6</sup> This may indicate a change in policy from the Party's Basic Program of Agrarian Law, adopted on September 13, 1947, which provided that "all debts incurred in the countryside prior to the reform of the agrarian system are cancelled" (Art. 4).

<sup>7</sup> *Sin Wan Jih Pao*, Shanghai, November 7, 1949.

<sup>8</sup> Material on East China directives primarily from: *Liberation Daily*, Shanghai, September 18; *Economics Weekly*, Shanghai, October 6, 1949.

In the latter article reference is made to the "Central Plains People's Government." The status of that government at that date was obscure. It had been formed about mid-March as the "Provisional People's Government of the Central Plains Liberated Area." As such it moved its capital from Kaifeng to Hankow in June. Its population was put at 55,000,000, bounded on the north by the Yellow River, on the south by the Yangtze, on the east by the Tientsin-Nanking railroad and on the west by the mountains of Shensi. By September China had been redivided and part of this region was in the East China Area under General Chen Yi. The Central China Area under the new breakdown embraced Honan, Hupci, Hunan, and Kiangsi. Possibly the Central Plains government adjusted its boundaries to coincide with those of the Central China Area.

As one of the prerequisites to land reform the peasants of China are being organized into Peasant Associations of various levels, from village to provincial associations. Ultimately there will probably be an all-union federation of Peasant Associations in Peking.

### Power of Peasant Associations

By mid-November about 10 percent of the peasants in south Kiangsu had been enrolled. This is an intensely cultivated region of Yangtze bottom land inland from Shanghai. In its populous counties of Soochow and Wusih membership ran about 60 percent according to official figures. In eighteen districts with an estimated population of 7,660,000 about 830,000 had been signed up, it was claimed.

Within this same area "positive" elements totaling 12,458 peasants had been selected and put into seventy-three training classes. Here they were being schooled to assume leading roles in organization of the peasantry.

According to Article III of the East China regulations for formation of such peasant associations membership is limited to the following:

Farm hands, poor peasants, middle-class peasants, handicraft workers in rural areas and all revolutionary elements of the intelligentsia dedicating themselves to service for the working peasants, irrespective of racial, sexual, religious and political differences, as long as they support the Regulation of the Association and apply for membership spontaneously.

Barred from membership are "landlords, rich peasants and reactionaries." About 70 percent of those attending the organizational conference in south Kiangsu were classified as "poor peasants."

Mass meetings were held in many cities and towns in recent months at which, after explanation of the program by Communist Party leaders, preparatory committees for peasant associations were formed. Such a "conference of peasants' delegates," for example, was held in the public park at Wusih, a cotton-milling city west of Shanghai, from September 12 to 15. Over 1,000 delegates attended. The meeting opened with a fusillade of firecrackers and the playing of an army band. Local Communist leaders explained the objectives of the organization and then unanimous approval of its formation was presumably called for.

Lack of peasant organization was one of the reasons for delay in land reform, Jao Shu-shih, secretary of the Party's East China Bureau, told a rally at Sungkiang in October. Other reasons he gave were the continued presence of straggling Kuomintang troops in the countryside and the continuation in office of village officials dating from Nationalist days.

The current political activity of the peasants in forming associations and effecting rent reductions

9 See footnote 8.



seems to be regarded—in football terms—as equivalent to a pre-season warmup game, with actual land distribution scheduled for the end of the season.

The Shanghai Communist Party organ, *Liberation Daily*, listed as chief obstacles to organization of the peasants their "feudal loyalties" and unfamiliarity with political activity. This newspaper also cited instances of infiltration of landlords and rich peasants into the associations which tended to affect their "solidarity."

By hard work rural political workers have, however, been able to heighten the peasants' "class consciousness" and make them "recognize the necessity of having their own revolutionary organizations," the paper said.<sup>10</sup>

The great army of political workers known as the Rural Service Corps has now been at work for several months, carrying the word to every accessible village. In East China this corps was generally organized from Party members, army men, students, and government staff workers. During July, under direct supervision of the Communist Party, 10,000 were recruited for this corps in south Kiangsu and a similar number were trained in Chekiang.

These workers have sifted into the countryside, lived with the peasants and lectured them. This writer was able to visit the farming country west of Shanghai during November. Even in a remote cluster of mud houses there appeared in one doorway—to stare at the passing foreigners—a round-faced girl looking still in her teens, with black bobbed hair and the uniform of the Rural Service Corps.

Boys and girls from the American-endowed Christian colleges are among those who joined the corps, some of them members of wealthy families. The traditional concept still lingers in China that students are an elite group, excused from physical labor. The Communists have tried to destroy this idea. The Corps members are told to live with and live like the peasants. For some city dwellers the adjustment has been too much and they have returned to Shanghai in quest of a desk job.

A number of long reports were printed in Shanghai newspapers, describing the trials and tribulations of the rural political workers. One, in the *Ta Kung Pao*, said in part:

When the workers assigned to Mei Tsun County [near Wuuh] at first established their living quarters in the home of a local landlord, the masses of the peasantry were afraid of them altogether, and did not dare approach them.

The mistake was soon corrected and the workers moved into

<sup>10</sup> Material on organization of peasants primarily from: *Liberation Daily*, Shanghai, November 12, 1949; *Liberation Daily*, October 13, 1949; New China News Agency, October 17, 1949.

the slum areas in the midst of the poor. From that time on the peasants began to fraternize with them.

The spreading of rumors designed to frustrate the Corps by "landlords and other local riffraff" was described. The corps members were pictured as carpet-baggers, living off the fat of the land, or agents sent to seize all wealth and luxuries and to regulate every detail of the peasants' lives.

In some counties there was a shortage of food when corps members arrived; the peasants reportedly expected and demanded that the political workers provide the needed rice. Some of these political workers, in the countryside west of Shanghai, were ambushed and killed early in the summer, but no reports of such attacks have been noted since then.

In certain areas where Nationalist guerrillas remained the organizers have not just been bobbed-haired girls. The team assigned to Tehching hsien (county), for instance, was "an armed force consisting of some sixty members, together with a regiment of troops." Tehching is twenty miles north of Hangchow in Chekiang province.<sup>11</sup>

During the fighting against the Japanese, land reform by the Chinese Communists almost came to a standstill. They could not afford at that time to disrupt their home base or to antagonize any segment of the population. On September 13, 1947, the Party concluded a special conference on land problems by adopting a "Basic Program of Chinese Agrarian Law." The north Manchurian land program had already begun.

In August 1948 the Communists' territory began expanding so rapidly that they devised their interim plan of interest and rent reduction in newly-entered areas. This was reaffirmed in the Eight-Point Proclamation which accompanied the Yangtze crossing.

### Plans for Peking Area

Land redistribution is going on, however, in certain areas this winter. Around Peking full-scale reallocation is taking place. Plans for the Peking area were outlined at a meeting of Party leaders held October 12. Following three months of already-completed "experimental land reform" the main show was to start after autumn harvest and to be completed during the four winter months.

The steps were to be as follows:

1. Confiscate the property of landlords "most hated by the masses."
2. Subdivide the rural population into classes (landlords, rich peasants, middle peasants, poor peasants, craftsmen, etc.)

<sup>11</sup> Material on Rural Service Corps primarily from: *Ta Kung Pao*, Shanghai, July 27 and October 5, 1949; *Liberation Daily*, Shanghai, August 16 and October 25, 1949.



3. "Confiscate" remaining lands of landlords, "requisition" land of wealthy peasants. Lands of middle-class and poor peasants to remain intact.

4. Allocate the confiscated and requisitioned lands. "Landlords who rely on land for subsistence will also be allocated one share of land."<sup>13</sup>

To keep food flowing into the city, farms using modern equipment were exempted from this process. These regulations will result in equal landholdings by the peasants only if those exempted as "middle" peasants hold no more than the original average for the village.

According to the agrarian law program issued by the Communist Party in 1947 the redistribution was to be handled by the Peasants' Associations of each village and on a village basis. In each the seized land was to be "equally distributed." The program said that "with regard to quantity, surplus land shall be taken to relieve dearth, and with regard to quality, fertile land shall be taken to supplement infertile, so that all village inhabitants shall equally share the land."

However, if the exempt land of a middle-class peasant exceeds the total farm acreage of the village divided by the total number of those entitled to shares, it would appear that he would end up with more land than his neighbors.

Meanwhile in north China, east China, and other areas the winter is being used for an intensive educational campaign in agrarian reform. According to a

directive of the North China People's Government (since dissolved) at the end of October this was to be the chief subject of teaching in newly-acquired territories.<sup>14</sup>

It is reported that the Communists' land reform measures in different regions vary in "degree." Certain it is that the land problem and vestiges of feudalism that go with it vary tremendously between different parts of China.

Statistics on the land situation are widely disputed. One recent estimate said that only about 20 percent of the peasants own no land at all, but that the bigger landholders, forming 2 or 3 percent of the population, receive in rents 20 percent of the total national income. The Communists themselves claimed on October 10, 1947, that less than 10 percent of the rural population held about 70 or 80 percent of the land. The remainder of the peasants, totaling over 90 percent, they said, "hold a total of only approximately 20 to 30 percent of the land, and toil throughout the whole year, knowing neither warmth nor full stomachs."<sup>15</sup>

In November 1948 Mao Tze-tung estimated the area in which land reform had already taken place as having a population of about 100,000,000.<sup>16</sup> The fact that land reallocation is taking place around Peking this winter, plus the widespread preparations elsewhere, indicate that by next winter the Chinese Communists may be ready to initiate this process across a large portion of the vast territory which is theirs.

## Students in West Pakistan

Politically active during the upheavals of partition and independence, students are now asked to eschew politics and stick to their classrooms.

BY RUTH CALDWELL WRIGHT

THE PRESENT GENERATION of college students in West Pakistan has lived through monumental changes in the status of the country. The older ones started college in institutions which were empowered to offer instruction by a Governor-General appointed by the British

Dr. Wright is Dean of Women at the College of the City of New York. She has recently completed an extensive tour of India and Pakistan, during which she visited some fifteen universities and sixty colleges.

<sup>1</sup> This article does not include a discussion of educational affairs in East Pakistan. West Pakistan accounts for 85 percent of the country's total land area, although it has only 45 percent of the total population.

<sup>2</sup> New China News Agency as printed in *Wen Hui Pao*, Shanghai, October 16, 1949.

Crown. As it became clear that the British would withdraw, a new government was foreshadowed by the opposition of Mohammed Ali Jinnah to a united country jointly controlled by Hindus and Moslems. Talking with groups of all kinds, including students, Jinnah described a new country which was to be the greatest of all Islamic nations. The Moslems, caught up by his enthusiasm, not only followed him but dreamed dreams that surpassed any that he had expressed. They were not deterred by

<sup>13</sup> New China News Agency, October 23, 1949.

<sup>14</sup> Chen Chen-han in *Ching Chi Ping Lun* (Economic Critic Weekly), vol. 2, no. 21; Resolution by Central Committee, Chinese Communist Party, on publication of the Basic Program of the Chinese Agrarian Law, October 10, 1947.

<sup>15</sup> In article, "World Revolutionary Forces United against Imperialist Aggression," New China News Agency, November 6, 1948.

FAR EASTERN SURVEY

warnings that such a country would lack organizational solidarity and would face economic collapse. They felt that these warnings were Congress and Hindu attempts to sabotage the plan for an Islamic state.

When Pakistan became a reality on August 15, 1947, Moslem League leaders were confronted with herculean tasks. The country needed a group of buildings adequate for a modern capital; trained government employees; strong manufacturing establishments to process the raw materials which these provinces had always supplied to the sub-continent and to foreign markets; a group of leaders who understood team-work and who had experienced the impetus of organizational success.

On September 11, 1948, Mr. Jinnah died. Impartial observers agree that, although he had a unique gift for selecting leaders, he had not had time to solidify the support so essential to a working team of statesmen. Mr. Liaquat Ali Khan continued as Prime Minister, and Khwaja Nazimuddin took over the duties of Governor-General. Cabinet ministers were added gradually. During the building of an able secretariat a few men have been obliged to carry much heavier responsibilities than is good for a new country which needs not only political but also industrial and technical guidance.

### Politics and Education

Since education is a provincial responsibility, the situation in the universities and colleges has been affected by the political climate of each province. The lone government university, provincially supported and directed, to which local colleges are affiliated, may or may not be a teaching institution. The chancellor, usually the governor of the province, appoints the vice-chancellor, who is the administrator. Each affiliated college, regulated by the university, is more or less closely tied to the political situation in the provincial government.

Each of the three provinces in West Pakistan has undertaken its educational responsibilities in a different manner. In Sind, where the capital (Karachi) is located and where the influence of the central government is strongly felt, matters have gone along smoothly. A new university is located there, and several new colleges have been encouraged to open. In the Northwest Frontier, known as a deficit province because of heavy expenditures for defense, the provincial government has functioned as well as in pre-partition days. There is no university but plans for one are under way. The great need, and one which the provincial governor has been interested in trying to meet at once, is for a college for women. Past practices in the territory have allowed very little education for women beyond the primary level.

As for the West Punjab, the richest and most pros-

perous of the West Pakistan provinces, the government had operated smoothly and democratically under the act of 1935 which provided its constitution. But after partition the ministry was unable to function and the central government was forced to intervene. Both the ministry and the elected assembly were dismissed. After a few months during which a British governor served, unassisted by a Pakistan minister, a Pakistan governor was appointed by the Prime Minister to fill the vacancy. He is now working without the help of ministers or of an elected assembly. He is under attack and may not choose to go on carrying the unprecedented burden. The university directly reflects this uncertainty, but it continues to profit from the presence of scholars and other citizens in the cultural center of Lahore. Some of them are members of the University Senate and lend prestige to what might otherwise be a weak institution. The curricular offerings of the affiliated colleges in and around Lahore would compare favorably with those of Western colleges.

The loss of Hindu personnel has been a severe blow to educational institutions in West Pakistan. In pre-partition days the faculty of most colleges was composed of Hindus, Sikhs, Christians, and Moslems. At the time of partition the Hindus, the Sikhs, and many of the Christians went to India. Science departments, both pure and applied, suffered the greatest losses. Hindu clerks, laboratory assistants, accountants, and technical employees also departed. There were no people of comparable training or experience to fill the gaps.

### Student Unrest

College administrators were faced with extremely difficult problems, not only because the students wanted the curriculum to continue unaltered, but also because they were vocal in assessing the new situation and in asserting that it was unsatisfactory. The pre-independence student body, at least half Moslem, had changed overnight. When the Hindus, Sikhs, and Christians were gone, hundreds of students, refugees from the East Punjab (which had become part of India), entered the Pakistan colleges. Because they had suffered the loss of relatives, homes, and belongings, they added their own anti-Hindu feeling to the already charged emotional atmosphere of the campuses. Their material difficulties were only partly alleviated by gifts of clothing from the United States. Therefore a pleasant amity among students of four religious faiths was replaced by suspicion, tension, and material deprivation for which the young people were not prepared.

The understandable effect of the days of riot and bloodshed was to solidify the communal purpose of the Moslems. Now, two years later, Pakistan students are denied the experience of discussions with other religious



groups. They are deprived of the association with others which had hitherto resulted in an objectivity characteristic of the West Punjab and of the college community.

The visitor to Pakistan sees readily that the students have been swept along in the rapid changes, subject to the impassioned pleas of religious and partisan speakers. In pre-partition days student agitation was either anti-British or anti-Hindu. In some colleges strikes were called against the British Raj one week and against the Indian Congress the next week. Uprisings in the Islamic colleges of Dacca and Karachi halted studies for weeks at a time. Moslem League student committees occasionally inclined toward fairly conservative methods of demonstration, only to find themselves in the midst of an incident caused by a disagreement between a bystander and a hot-headed student. One student, who spoke of his own influence in organizational meetings as being "dangerously cooperative with college administrators and government leaders," was badly beaten by the police, who considered him a fire-brand. It is now apparent that students were used by Moslem League leaders, that they were often uninformed as to the underlying reasons for certain movements, and that they were prey to emotional, religious, or nationalistic appeals which were exciting but not always inwardly acceptable to serious thinkers.

After partition, "righteous" causes became less clear. The times are less exciting, and students feel an understandable let-down. Sitting in a classroom, preparing for examinations, and pursuing a normal academic program do not make up the stirring kind of life they have heard about from their elder brothers and sisters. It is not surprising that they attempt to "discover" a reason for an occasional demonstration.

### Students Asked to Shun Politics

Before partition, Moslem leaders urged students to participate in League-inspired meetings. The present central government is requesting students to stay on the campus; preparation for service to Pakistan; they are now told, demands serious attention to academic pursuits. High government officials seem to fear that students may be used as the tools of unscrupulous politicians. Prime Minister Liaqat Ali Khan recently asked a student group in Karachi "to devote themselves wholeheartedly to their studies and not to allow themselves to be exploited by interested parties for their personal ends." On several occasions he has come out in print in fervent requests to students to keep away from politics and to devote themselves to academic pursuits.

The disparity in the attitudes of government leaders today and yesterday is confusing to the young men and

women of Pakistan, and they respond to this seeming inconsistency in various ways. One administrator, when asked how his students had reacted to the new pattern, expressed genuine concern for them. His hope is that a constructive Pakistan student movement may harness the energies of all for a mass education teaching project. Since estimates of illiteracy range from 75 to 90 percent, mass education must precede any attempt at general franchise.

Another educator spoke of the student government in the colleges as a valuable training course in parliamentary procedure, in committee techniques and in the construction of a constitution. Students are interested in the Pakistan constitution, which is not yet completed. He believed that such endeavors might satisfy those students who long for a call to political action, either local or provincial. A magazine known as the *Pak Student*, in its first issue (September 1949), referred to "the tremendous part which was played by students of the sub-continent in the insuring of the final outcome of the struggle" and listed the following problems now confronting Pakistan students everywhere: lack of material means to help refugee students, poor dormitories, lack of housing in some centers, indifferent teaching by untrained faculty members, poor library facilities, and far too few scholarships for deserving students.

### Absence of Communist Activity

It is interesting to note that there is no Communist movement among West Pakistan students. Religious students and faculty members, when asked to explain this fact, point out that a good Moslem cannot accept the Communist ideal. Their elders, citizens and parents, report that willing, energetic young people were absorbed in League activities and that those not interested in the League would not be likely to be challenged to help any movement. The absence of vast industrial plants and factories accounts in some measure for the general absence of Communist activity, at least in any discernible degree, in this section of the sub-continent.

A few students have expressed themselves as favoring compulsory military training. The long-delayed decision in the Kashmir dispute may explain student interest in military preparedness. Few discussions seem to have taken place on this subject, however. A careful search in student publications listing the aims of student organizations failed to reveal mention of military training.

The truism that students reflect the divergent opinions of their parents was well illustrated in conferences held by the writer with student leaders in nine colleges in West Pakistan. Some students, strongly nationalistic, lean toward a strict interpretation of the Islamic ideal and talk freely of their hope for several changes in em-



phasis in higher education. A return to the strict observance of purdah would eliminate coeducation. Women leaders would be obliged to follow rigorous measures to maintain isolation while pursuing their careers. Women professors could teach only in women's colleges, and there would be no women teachers in primary schools, which are usually coeducational. Few women would be able to combine study abroad with the necessary purdah rules.

Another demand of the more orthodox group is for an immediate change in the medium of college instruction from English to Urdu, which is to be the national language of Pakistan, although it is not now spoken by a majority of the residents of Pakistan. These students also advocate that, when the teaching of English, Western, and Hindu history is eliminated from the curriculum, Arabian history and Indian history beginning with the Moslem rulers be substituted. The study of English literature would be replaced with that of Persian, Urdu, and Arabic literature. Compulsory study of the Koran, Islamic law, and the Moslem faith would be included in every course for each of the four years of undergraduate study. This plan would prepare a few selected students for further study in Western countries, but it would enable many to study in Islamic countries.

Many liberal students speak just as freely on behalf of a different ideal. They reject the idea of a return to purdah for all women and welcome coeducation to an even greater extent than is now true in Pakistan. They hope that a gradual change to Urdu will not mean the loss of the study of English and other Western languages or of the literature and history of the Western world. As for religion, these students wish to have it offered as an elective subject only.

It is probably too early to predict how far the influence of the liberal bloc will extend—whether, for example, the progressive leanings of students and some faculty members will bring about so drastic a change as the admission of Hindu students within the next few years. Student leaders discuss among themselves their hope that genuinely democratic principles may prevail in education as the new nation is built. Faculty members have expressed individual viewpoints in these areas of disagreement, but no concerted action or support for either side seems to have been indicated publicly. It is clear, however, that as such issues are sharpened in the colleges, the universities, and the provincial and central governments, most serious students will be obliged to express their concern with the interpretations which are to shape the future of Pakistan.

## The Philippine Balance of Payments

Preliminary estimate indicates possibility of outflow of capital in 1949.

BY KONRAD BEKKER  
AND CHARLES WOLF, JR.

**EDITOR'S NOTE:** In his National Press Club speech of January 12, 1950 Secretary of State Acheson stated that much of the financial aid supplied by the United States to the Philippines since the war "has not been used as wisely as we wish it had been used." In reply, Philippine officials defended their government's record in rebuilding a war-damaged economy. One aspect of the Philippine financial picture is discussed below.

**A**T THE BEGINNING OF DECEMBER 1949 the Philippine government introduced stringent import and exchange controls, which came as something of a surprise to many in the Philippines and the United States. These controls included the following major regula-

tions: (a) licensing of all non-essential and semi-essential imports, and sharply curtailed import quotas, e.g., textile imports were cut 75 percent, cigarettes 80 percent, and soap 90 percent below the 1948 levels; (b) mandatory sale to the Central Bank of all foreign exchange proceeds from exports; (c) control of capital transactions through strict exchange licensing, and limitation of private remittances to \$50, except where a special license is secured authorizing larger outpayments. This paper discusses the financial difficulties which these controls were designed to allay.

The salient feature of the Philippine international financial position during 1949 was the sharp decline in the dollar holdings of the economy. During 1949 imports were approximately \$500 million while exports were \$273 million,<sup>1</sup> giving an estimated import balance of \$227 million as compared with \$273 million

Mr. Bekker was a member of the Joint Philippine-American Finance Commission in 1947. Mr. Wolf, author of *The Indonesian Story*, received a Ph.D. in economics at Harvard in 1949.

<sup>1</sup> This represents a decline of 12 percent in imports and 14 percent in exports from 1948. Imports fell partly because of import controls established early in 1949; the fall in exports was due in considerable part to lower prices and lower volume of copra shipments.

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in the calendar year 1948.<sup>2</sup> Allowance for estimated net invisible payments (including interest and amortization, shipping, tourist expenditures, and private remittances) of \$95 million results in a negative balance of \$322 million on trade and invisible account for 1949.

This balance should have been offset by US government expenditures, comprising disbursements by the Veterans' Administration, the War Damage Commission, and the US armed services, which are estimated at about \$326 million for the calendar year 1949. The result would be a reasonably close balance on current account. However, estimated net foreign exchange reserves of the Philippine government and Philippine banks declined from \$410 million on January 1, 1949 to \$290 million on October 31, or at an annual rate of \$144 million.<sup>3</sup>

Data on total net short-term liabilities of the United States to the Philippines—which include all Philippine claims on US banks less claims of US banks on the Philippines—confirm this estimate. These holdings, as reported by American banks, declined from \$451 million to \$323 million between January 1 and September 30, or \$160 million during the whole year, assuming that the fourth-quarter decline approximated that of the third quarter.<sup>4</sup>

### Factors in Revised Estimate

Combining the above figures in a preliminary estimate of the Philippine balance of international payments in 1949, we find that outpayments of \$164 million are unaccounted for. Clearly, such a figure for "errors and omissions" is inordinately large. Hence an attempt has been made to construct a revised estimate, allowing for suspected inaccuracies in reported data.

Among the factors to be taken into account are the following:

(1) Philippine customs reports frequently lag far behind actual transactions. The official data on both exports and imports may, therefore, need upward revision, but no estimate of the magnitudes involved is attempted here.

(2) Philippine customs data show exports of only about one-fourth of the amount of gold produced in the country during the year, and this at the official gold

price of \$35 per ounce. An upward correction of \$9 million is believed to allow for additional unreported gold shipments from local production and for the premium received by Manila sellers.

(3) Imports are generally undervalued in customs declarations to avoid import restrictions and duties. An arbitrary adjustment of \$50 million—10 percent of reported imports—has been made to cover undeclared and undervalued goods. On the basis of official US reports of exports to the Philippines, this figure is believed to be liberal.<sup>5</sup>

(4) Allowance should be made for a certain amount of smuggling between the Philippines and other countries in southeast Asia. Payment may have reached the Philippines through imports of merchandise, e.g. rice, and through the extensive jewel and gold smuggling transactions known to have taken place in southeast Asia. On the assumption that no special effort would have been made to conceal such merchandise imports as may have resulted from this trade, the only necessary adjustment in the balance of payments on this account is an addition to reported exports. The amounts involved necessarily escape precise estimate. For illustrative purposes, the sum of \$10 million is shown in the adjusted figures.

(5) US government disbursements in the Philippines in 1949 for the first time include sizable war damage payments to claimants of large amounts (\$50,000 and above). There are indications that part of these funds may have returned to the United States immediately through repayment of advances made to Philippine subsidiaries of American firms and through the reduction of US bank and commercial credits extended to Philippine firms.

(6) It is probable that the Philippines has served as a depository for Chinese funds that do not seek investment in the country. On balance, such funds may have been leaving rather than entering the Philippines during 1949. No estimate of the amount involved in such transfers is attempted.

(7) The Philippines is a center of trade in gold between China and points abroad, particularly Mexico. To what extent local capital engages in this trade is not known. It is possible that Philippine dollar reserves have been drawn down for the purpose of financing gold shipments to Hongkong and Macao, with payment received in sterling and not yet reflected in Philippine dollar balances.

The accompanying table presents an adjusted balance of payments for the Philippines allowing for the

<sup>5</sup> See "US Exports of Foreign and Domestic Merchandise," December 1948-August 1949, Bureau of the Census, US Department of Commerce.

<sup>6</sup> Presumably including smuggling of arms.—Ed.

<sup>2</sup> These estimates, based on figures for the first three quarters of the year, assume that trade in the last quarter followed the third-quarter pattern. All values in this paper are expressed in terms of US dollars unless otherwise indicated.

<sup>3</sup> These figures include central bank reserves, other government dollar accounts, net inter-bank dollar holdings, and dollar contributions to the International Monetary Fund and the International Bank for Reconstruction and Development.

<sup>4</sup> Federal Reserve Bulletin, November, December, 1949.



items summarized above to be entirely feasible. Even in this adjusted estimate, the figure for errors and omissions, \$128 million, remains large. It is true that unexplained outpayments generally represent a substantial item in Philippine international accounts. However, \$128 million must be considered high even by comparison with analogous figures for previous years. The adjusted balance of payments estimate would apparently indicate (a) that imports have been unreported or undervalued by more than the \$50 million imputed above, or (b) that a considerable outflow of capital has occurred. Both factors may have contributed to the rapid decline in reported Philippine international reserves during 1949.

These data on the international financial position of the Philippines lead to several conclusions. First, at the end of 1949 Philippine international reserves were slightly below the level they were expected to reach in 1951. They were also well below the \$300 million figure mentioned by financial experts a year ago as a conservative estimate of the reserves that the Central Bank would wish to maintain for the next few years.

Second, in the light of the Philippine international financial position, the need for the wisdom of the December import and exchange controls is clear. Designed to reduce imports by some \$200 million during 1950, these controls can serve the dual objectives of halting the decline in reserves and encouraging domestic economic development, e.g. in the case of cigarettes and textiles. Already in the first month of 1950 there is some indication of an improvement in the Philippine reserve position.

A major problem created by the import controls is the inflationary pressure which they engender. Other things being equal, import balances of the magnitude enjoyed by the Philippines during recent years exercise a marked deflationary effect on the economy. This has been particularly important in an economy, like that of the Philippines, whose purchasing power was swollen by large veterans' benefits and war damage payments to individuals with high consumption propensities, and by government deficits, e.g. \$40 million in fiscal 1949, or roughly 20 percent of the budget. Large imports in the Philippines have, in fact, exercised a double deflationary influence; not only by bridging the gap between an inflated postwar demand and a reduced domestic supply of consumption goods, but also through the large government revenues yielded by import duties, e.g. \$33 million in cigarette duties alone during 1949. Both of these deflationary influences will be substantially weakened by the December controls. Moreover, sharply reduced revenues from import duties make large budgetary deficits almost inevitable in the current fiscal year.

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However, the record 1949-50 rice crop (1.6 million metric tons) and the generally favorable prospects for domestic food production in 1950-51, considerably diminish the likelihood of inflation.

If the Philippine economy successfully meets the inflationary pressures confronting it, effective implementation of the December controls can contribute both to domestic economic diversification, and to an improvement in the Philippine international reserve position.

#### ADJUSTED ESTIMATE OF PHILIPPINE BALANCE OF PAYMENTS FOR 1949

(in million US dollars)

Receipts	
Exports, f.o.b.	273
Correction for gold exports	9
Adjustment for smuggling	210
Invisible items	
Tourist expenditures	2.5
Interest and dividends (government)	1.5
Total	499
US government disbursements	326
Decline in Philippine holdings of US dollars	160
	782
Payments	
Imports, f.o.b.	500
Adjustment for undervaluation of imports	50
Invisible items	
Net shipping	75
Net remittances	18
Amortization of long-term capital	3
Government expenditures abroad	3
Total	599
Repatriation of capital to US connected with war damage receipts of Philippine business concerns	5
Errors and omissions	128
	782

## NEWS CHRONOLOGY

January 20 to February 2, 1950

January 20: China. The US Consulate at Hongkong initiates an attempt to repossess Chinese merchant ships which have turned their sympathies toward the Communists. The ships were supplied to the Nationalists on credit.

January 20: Japan. The Central Committee of the Japanese Communist Party expresses confidence in the leadership of Sanzo Nosaka despite Cominform criticism of his policies.

January 21: China. Communist Premier Chou En-lai arrives in Moscow to confer with Premier Stalin. The Peking government sends for a Tibetan representative to "negotiate on a peaceful solution of the question" of Tibet's status, reiterating its claim that Tibet belongs within the People's



Republic. Soviet Foreign Minister Molotov formally denies Secretary of State Acheson's charge that the Soviet Union has infringed on China's territorial integrity or independence. January 21: *Korea*. President Truman calls for "speedy rectification" of the defeat of the Korean aid bill in the US House of Representatives. Secretary Acheson expresses "concern and dismay" over the bill's defeat.

January 23: *Japan*. Premier Yoshida, in his "state of the nation" speech before the Diet, implies that Japan is anticipating a long period of protection by the Western powers.

January 23: *Korea*. Leading members of the (south) Korean National Assembly call their government undemocratic and state that it must clean house if it is to obtain further US aid.

January 24: *China*. Secretary of State Acheson tells the Senate Foreign Relations Committee that he favors extending economic aid to Formosa beyond the present February 15 deadline.

January 24: *Indonesia*. "Guerrilla" troops led by former Dutch army Captain Westerling take over and then abandon Bandung, capital city of West Java. Official Indonesian sources accuse the Dutch of aiding and directing these rebel forces.

January 25: *China*. The US State Department issues background material on its charge that the Soviet Union is "attaching" four areas of northern China.

January 25: *Indochina*. Hanoi is deprived of electrical power by the blasting of seven power transformers, said to have been carried out by followers of Ho Chi Minh.

January 25: *Indonesia*. Westerling's rebel forces enter Padalarang in West Java. Premier Sukarno asks India for support in negotiations with the Dutch for the inclusion of New Guinea in the United States of Indonesia.

January 25: *Japan*. Opposition spokesmen in the Diet protest Premier Yoshida's implication, in his "state of the nation" address, that Japan may give bases to the US in return for continued protection.

January 25: *Thailand*. The Soviet Union unofficially proposes to the Thai government a barter agreement in which Thailand would exchange rice for Soviet machinery.

January 26: *China*. The Peking government initiates legal proceedings in the US to prevent the release to Nationalist hands of funds belonging to the Bank of China. Two native Formosan leaders are named to the Chinese Nationalist cabinet.

January 26: *India*. India becomes a republic, with Dr. Rajendra Prasad as president.

January 26: *Indonesia*. Indonesian spokesmen in the UN state that, if Westerling's rebel troops continue to fight, the situation will be brought before the UN Security Council. The Soviet Union recognizes the United States of Indonesia.

January 26: *Korea*. The US and Korea sign a mutual defense assistance pact, making Korea eligible for its share of the \$27,000,000 in defense aid intended for such countries as Korea, the Philippines, and Iran.

January 27: *Indonesia*. The cabinet of West Java resigns after its premier is arrested on suspicion of trying to overthrow the federal government.

January 27: *Japan*. The Diet is informed that the government has asked the Allied command for permission to arm its coastal patrol boats because of seizures of Japanese fishing boats by China, North Korea, and the Soviet Union.

January 28: *China*. The Soviet Union, in its current negotiations with Peking, is reported to be asking for control of seven key ports in north China, two of which are already under Soviet jurisdiction; a labor force of 500,000

Chinese; grain from Manchuria; and concessions to minority groups in Sinkiang. In return, Peking is said to be requesting \$2,800,000,000 worth of financial aid, plus armaments.

January 29: *China*. Douglas S. Mackiernan, former US vice consul at Urumchi (Sinkiang), now reported on his way to India, is charged in a Chinese Communist radio broadcast with having aided and instructed anti-Communist tribal chiefs in Sinkiang.

January 29: *Indochina*. Agreements setting up the Bao Dai regime in Vietnam are ratified by the French parliament.

January 29: *Thailand*. Premier Luang Pibul Songgram exiles eight high-ranking Thai army officers.

January 30: *Indonesia*. The state government of West Java collapses as a result of the Westerling rebellion and nominates the federal government at Jakarta to take over the administration.

January 31: *India*. President Rajendra Prasad renews India's offer of a "no war" pact with Pakistan.

January 31: *Indonesia*. The state of Madura, following the lead of East and West Java, surrenders its administration to the federal government.

January 31: *Indochina*. The Soviet Union recognizes Ho Chi Minh's government. France protests this recognition in a note to the Soviet embassy in Paris.

February 1: *Indochina*. The Soviet embassy in Paris rejects the French protest on the Soviet Union's recognition of Ho Chi Minh. Secretary of State Acheson, in a press conference, implies that the US will recognize the Bao Dai regime as soon as the transfer of sovereignty is complete.

February 1: *Japan*. The Soviet Union proposes to the US that Emperor Hirohito and several other Japanese be tried for war crimes in an international court. The planning of bacteriological warfare is foremost among the proposed charges.

February 2: *Indochina*. Ratification of French-Vietnamese agreements setting up the Bao Dai regime is completed with the signing of the accords by French President Auriol.

February 2: *Japan*. Joseph B. Keenan, chief US prosecutor in the war crimes trials of 1946, declares that the Japanese Emperor was not responsible for Japanese war crimes and suggests that Premier Stalin be tried instead.

The FAR EASTERN SURVEY accepts no responsibility for the accuracy of items in the "News Chronology." The chronology is based on reports in the *New York Herald Tribune* and the *New York Times*. It is prepared by Irving I. Kramer.

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# Far Eastern Survey

AMERICAN INSTITUTE OF PACIFIC RELATIONS

## State-Making in Pakistan

Is Islam a "third force?" Religion still dominates Pakistan politics but other issues are emerging as Pakistanis hammer out structure of their new state.

BY RICHARD SYMONDS

WHEN INDIA WAS PARTITIONED in August 1947, Pakistan, as the smaller of the successor states, was at a disadvantage in having to create an entirely new federal government and administration. Moreover, Pakistan was immediately faced with very serious problems of refugee resettlement and economic and foreign policy. Partly as a consequence of these preoccupations, the new federal constitution has not yet been drafted, and does not seem likely to be in the near future. Preliminary steps have, however, been taken, which give some clues as to the kind of state that Pakistanis wish to create, and as to some of the domestic political issues which it will face.

Under Section 8 of the Indian Independence Act of the British Parliament (1947), the Government of India Act of 1935 became, with certain adaptations, the working constitution of Pakistan. The Constituent Assembly, elected indirectly by the provincial assemblies in 1947, was given two separate functions, first to prepare a Constitution, and second to act as a Federal Legislative Assembly or Parliament until that Constitution came into effect. The Constituent Assembly can amend the Indian Independence Act or the Government of India Act, and no act of the British Parliament can be extended to Pakistan without legislation by it. Pakistan remains a Dominion of the British Commonwealth, but has the right to secede from it. Although her Governor General is formally appointed

by the King, he is nominated by the Pakistan Cabinet. Pakistan may therefore be described as a sovereign independent state.

The government of Pakistan is carried on by a Cabinet of Ministers, who are collectively responsible to the Constituent Assembly, and who are also members of that Assembly. The Governor General has no individual discretion, and is always presumed to act on the advice of his ministers. He may promulgate ordinances, but these are subject to repeal by the Constituent Assembly. The Dominion is a federation, and the Government of India Act defines those subjects which are the responsibility of the central government and those which are the responsibility of the provinces. The central judiciary consists of a Federal Court of Pakistan with original, appellate, and advisory functions. Its judges are appointed by the Governor General.

The Dominion, with a total estimated population of about 80,000,000, consists of:

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(1) The Provinces of West Punjab (pop. 19,700,000), Sind (5,100,000), North West Frontier Province (3,200,000) and East Bengal (46,700,000). Each has an elected Legislative Assembly, and is normally governed by a Cabinet of Ministers responsible to that Assembly. In exceptional circumstances, however, the Governor of the Province, who is appointed by the Governor General of Pakistan, may be directed by the latter to take over the administration. The provinces are represented in the Pakistan Constituent Assembly by delegates from their own Legislative Assemblies, elected in the proportion of one for each million inhabitants of the province.

(2) The princely States (total pop. approx. 2,000,000) which have acceded to Pakistan. These are autonomous, with the exception of Defense, Foreign Relations, and Communications, which have been delegated to the central government. The rulers of the States maintain relations with Pakistan through the Ministry of States and Frontier Regions.

(3) Baluchistan (pop. 560,000). Baluchistan is governed by an Agent of the Governor General, with the aid of local nominated Advisers. Representative institutions are at present being planned.

(4) Tribal territories (pop. approx. 2,000,000). Relations with the tribal chiefs and councils of the North West Frontier are maintained through the Governor of the North West Frontier Province as the Agent of the Governor General. The primitive peoples of the Chittagong Hill Tracts are similarly the responsibility of the Governor General through the agency of the Governor of East Bengal.

(5) Karachi, chosen by the Constituent Assembly as the federal capital, is governed by an Administrator, responsible to the Minister of the Interior of the Pakistan government.

In the provinces the administrative machinery remains identical with that of British India. Each province consists of Divisions, further divided into Districts, in which the Divisional Commissioner and District Magistrate (also known as Deputy Commissioner or Collector) have both revenue and magisterial functions. Local self-government continues under District Boards and municipalities. The government of the States remains generally autocratic.

### Former British Officers Retained

In the senior ranks of the Indian services at the time of partition Muslims were considerably outnumbered by non-Muslims. Yet the Pakistan Government had not only to continue to man the provincial ad-

ministrations but to create an entire new central administration. To meet the emergency, British officers of the Indian services were encouraged to continue with Pakistan. Former British officers of the Indian Civil Service were appointed as Governors of three out of the four provinces, as Permanent Secretaries of four of the federal ministries, and in many other senior positions. British officers were also retained as heads of the Army, Navy, and Air Force. The British Governors of the West Punjab and of the North West Frontier Province resigned in 1949 and were succeeded by Pakistanis, and it is hoped to dispense with British officers in the Army by the end of 1950, except as technical advisers.

### The Constituent Assembly

The Constituent Assembly is a body of only 70 members, many of whom are Ministers or important leaders in the provinces. In the critical months immediately after partition, therefore, while the new provincial governments were being set up, it was not possible for the Assembly to meet. The Cabinet and the Governor General had the heavy task of holding together and welding together very different elements, at a time of great strain, and with little opportunity to meet the elected representatives. The heaviest part of the burden in the first year of Pakistan was carried by Muhammad Ali Jinnah himself. He was far more than Governor General. He was the Quaid-i-Azam, "Great Leader" who had brought the state into being, and as such could admonish and persuade the provinces as none of his Ministers could do. When Jinnah died in September 1948, the Cabinet nominated as his successor Khwaja Nazimuddin, the Prime Minister of East Bengal. Nazimuddin, who had long experience as a provincial minister, has functioned as a constitutional Governor General, rather than as the moving spirit of the government like his predecessor.

The death of Jinnah thus left a greater responsibility with the Cabinet. The latter consists of four Ministers from the West Punjab, four from East Bengal, and one each from the North West Frontier Province and Sind. All are Muslims with the exception of J. N. Mandal, the Law and Labor Minister, who is a scheduled caste ("untouchable") Hindu. Of the four most important portfolios, three are held by Punjabis: Prime Minister and Defense, Liaquat Ali Khan; Foreign Affairs, Sir Muhammad Zafrullah Khan; and Finance and Economic Affairs, Ghulam Muhammad. The fourth, the Ministry of the Interior, is held by Khwaja Shahabuddin, a Bengali Muslim.

In the Constituent Assembly, to which the Cabinet is responsible, all the Muslim seats except one are held by members of the Muslim League. The League is open

East Bengal has a Legislative Council also, an upper house elected on a much more restricted franchise than the Legislative Assembly.



to all Muslims, male or female, above the age of 18, on payment of 2 annas (3 cents) per annum. Each province sends delegates to the All Pakistan Muslim League Council, which annually elects a President. The latter appoints his own Working Committee. The All Pakistan League Council consists of about 450 members and the Working Committee of about 21 members. A similar procedure is followed in provincial and district organizations. In elections to both central and provincial assemblies the League "ticket" is issued to candidates chosen by subcommittees of the All Pakistan and Provincial Councils.

Until 1947 the League comprehended all Muslims who were in favor of Pakistan, and it had no very clear economic program. Its continued cohesion as the only important Muslim party has been largely due to the need felt for Muslim solidarity while Pakistan's economy was endangered by the influx of refugees, and while her political existence appeared threatened by her conflict with India over Kashmir. Much of the energy and interest which might otherwise have been directed by political workers toward social and economic reforms have been spent in organizing home guards and relief for refugees from both the Punjab and Kashmir.

### Criticism Within the League

Yet, though there is no organized Muslim political opposition, there are critical groups within the League. On the left is Iftikharuddin, once a Minister in the West Punjab, a former Congress Party member and by repute a former Communist. Iftikharuddin comes of a wealthy and politically prominent Punjab family and owns the *Pakistan Times*, which sometimes criticizes the government for "joining the Anglo-American bloc." He is young, Oxford-educated, and a capable speaker. He may have a considerable following among the West Punjab refugees, for he resigned from the provincial government because, as he alleged, it would not sufficiently disturb vested interests in their favor. A more powerful group are the religious critics, of whom the most influential and moderate has been Maulana Shabbir Usmani, who died in December 1949. This group sometimes criticizes the government for not being sufficiently Islamic and urges the enforcement of the Shariat (the ancient laws of Islam).

The only Muslim in the Constituent Assembly who is not a Leaguer is Abdul Ghaffar Khan, the leader of the Khudai Khidmatgars (Servants of God) of the Frontier, the party which, in alliance with the Congress, twice formed ministries in the North West Frontier Province. Abdul Ghaffar is at present in jail, under suspicion of plotting against Pakistan with the tribal leader, the Fakir of Ipi.

The most effective political critic of the government is probably H. S. Suhrawardy, the last premier of undivided Bengal. After partition, Suhrawardy remained in India and, working with Gandhi, did much to protect the minorities. He has recently migrated to Pakistan, where his criticism of governmental "inefficiency" and his capable legal defense of persons charged with political offenses under the public safety ordinances would probably make him the natural leader of the opposition if he could regain his seat in the Constituent Assembly, forfeited by his absence from Pakistan.

### Hindu Representation

The twelve million Hindus who are still in Pakistan, almost all in East Bengal, are represented in the Constituent Assembly by 12 members of the Congress Party and one representative of the Scheduled Castes Federation. The Congress members have played their unhappy part with dignity, always affirming their loyalty to the state in making their complaints. For many years predominant in government services, in commerce and education in Bengal, and indeed having been one of the most powerful forces behind the Indian National Congress itself, they now find themselves excluded from both the Pakistan and the East Bengal Government.

The Scheduled Castes, low-caste Hindus who had been granted separate representation by the Constitution of 1935, have four representatives in the Constituent Assembly, three of whom are Congressmen and the fourth, the Minister J. N. Mandal, a member of the Scheduled Castes Federation. The Scheduled Castes have received special benefits from the Pakistan government. Six percent of the positions in the central services are reserved for them, and an annual allotment of 500,000 rupees is made for their education.

The Christians at the time of partition suffered considerable hardship in the West Punjab, where incoming Muslim refugees complained that Christians had looted them in the East Punjab. There are still 400,000 of them in the West Punjab, but skilful leadership by S. P. Singha, the former Speaker of the Punjab Assembly, has improved their position, and they are included in a special reservation of five percent of the positions in the services for the minorities in that province. They have no representation in the Constituent Assembly and they have asked for separate electorates until "the Muslim League as the National Political Body is substituted by one or more political organizations open to all communities."

The most tranquil minority are undoubtedly the Parsis, who have never claimed separate communal representation in either India or Pakistan. They are

Persian by origin, and their religion in no way affects their politics. In Karachi and Lahore, though few in number, they have usefully filled many gaps left in commerce and industry by the departing Hindus.

### Present Philosophy of Government

Although the Constituent Assembly has not yet prepared a draft constitution, it passed in March 1949 a resolution on the "Aims and Objects of the Constitution," which was described by the Prime Minister as "the most important occasion in the life of this country, next in importance only to the achievement of independence." Not only the resolution itself but the debate on it are of great interest as illustrating the political philosophy of the present Government of Pakistan and of its principal critics.

The text of the resolution, which was moved by the Prime Minister, was:

In the name of Allah, the Beneficent, the Merciful;

WHEREAS sovereignty over the entire universe belongs to God Almighty alone and the authority which He has delegated to the State of Pakistan through its people for being exercised within the limit prescribed by Him is a sacred trust;

THIS Constituent Assembly representing the people of Pakistan resolves to frame a constitution for the sovereign independent State of Pakistan;

WHEREIN the State shall exercise its powers and authority through the chosen representatives of the people;

WHEREIN the principles of democracy, freedom, equality, tolerance and social justice, as enunciated by Islam, shall be fully observed;

WHEREIN the Muslims shall be enabled to order their lives in the individual and collective spheres in accord with the teachings and requirements of Islam as set out in the Holy Quran and the Sunna;

WHEREIN adequate provision shall be made for the minorities freely to profess and practice their religions and develop their cultures;

WHEREBY the territories now included in or in accession with Pakistan and such other territories as may hereafter be included in or accede to Pakistan shall form a Federation wherein the units will be autonomous with such boundaries and limitations on their powers and authority as may be prescribed;

WHEREIN shall be guaranteed fundamental rights including equality of status, of opportunity and before law, social, economic and political justice, and freedom of thought, expression, belief, faith, worship and association, subject to law and public morality;

WHEREIN adequate provision shall be made to safeguard the legitimate interests of minorities and backward and depressed classes;

WHEREIN the independence of the judiciary shall be fully secured;

WHEREIN the integrity of the territories of the Federation, its independence and all its rights including its sovereign rights on land, sea and air shall be safeguarded;

2 Traditions of the Holy Prophet.

So that the people of Pakistan may prosper and attain their rightful honoured place amongst the nations of the world and make their full contribution towards international peace and the progress and happiness of humanity.<sup>3</sup>

The resolution was adopted without a division after an amendment by the Congress to delete the preamble had been defeated by 21 votes to 10.

The Congress objections to the resolution were stated by Mr. B. K. Dutta. "Politics and religion belong to two different regions of the mind. Politics belongs to the domain of reason, but you mix it with religion. You pass into the other world of faith." He complained that "under this clause 'as enunciated by Islam' you condemn us forever to inferior status." The Leader of the Congress, Mr. S. C. Chattopadhyaya, protested even more vigorously. "You are determined to create a Herrenvolk. . . . This resolution in its present form epitomises the spirit of reaction. That spirit will not remain confined to the precincts of this House. It will send its waves to the countryside as well. . . . For the minorities, 'A thick curtain is drawn against all rays of hope, all prospects of an honorable life.'"

Maulana Shabbir Usmani indeed may have given the non-Muslims some grounds for their apprehensions. "The Islamic State," he said, "means a State which is run on the exalted and excellent principles of Islam. . . . People who do not subscribe to those ideas may have a place in the administrative machinery of the State, but they cannot be entrusted with the responsibility of framing the general policy of the State or dealing with matters vital to its safety and integrity."

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### Status of Non-Muslims

But the Ministers who spoke for the government emphatically repudiated the accusation that the privileges and status of the non-Muslims would be less than those of the Muslims. A non-Muslim, stated Liaquat Ali, could be at the head of the administration of an Islamic state. Non-Muslims, he said, would be welcomed into the government services of Pakistan, and the guarantees which were being given to them were much more comprehensive than those extended to the Muslims in the Dominion of India. The Foreign Minister, Sir Muhammad Zafrullah Khan, added that the minorities would be protected by the very teaching of Islam:

It is a matter of great sorrow that, mainly through mistaken notions of zeal, the Muslims have during their period of decline earned for themselves an unenviable reputation for intolerance. But that is not the fault of Islam. Islam has

<sup>3</sup> The text of the resolution and of the speeches on it is taken from *Constituent Assembly of Pakistan Debates, Official Report, March 7th to March 12th, 1949.*



from the beginning proclaimed and inculcated the widest tolerance. For instance, so far as freedom of conscience is concerned the Quran says "there shall be no compulsion" of faith.

Fakhrurruddin was the only Muslim critic of the resolution. He deplored its failure to guarantee political, social, and economic justice. "The fight in this country," he said, "is not going to be between Hindus and Muslims. The battle in times to come will be between Hindu have-nots and Muslim have-nots on the one hand, and Muslim and Hindu upper and middle classes on the other."

### Islam as a Third Way

He was answered by Sardar Abdur Rab Nishtar, Minister for Communications, who asserted that between capitalism and Communism, Islamic democracy was a third way. "If you are really serious in opposing Capitalism as represented by certain countries of the West, and Communism as represented by Russia, then put forward an alternative social system. We, the Muslims, believe that a society based upon the Islamic principles of freedom, equality and social justice, to the Muslims and non-Muslims, believers and non-believers, men and women, poor and rich, everybody, our own citizens and foreigners, can be the best alternative." Liaquat Ali was equally emphatic. "When we use the word democracy in the Islamic sense, it pervades all aspects of our life; it relates to our system of Government and to our society with equal validity, because one of the greatest contributions of Islam has been the idea of the equality of all men." Maulana Shabbir Usmani, perhaps the most learned Islamic scholar in the House, explained that "Islam has no truck with capitalism. The Islamic State brings about an equitable distribution of wealth by employing methods peculiar to it and distinct from communistic practices."

After the Objectives Resolution had been passed, the Constituent Assembly appointed a committee of all parties "to report on the main principles on which the Constitution of Pakistan is to be framed." This Committee has set up separate subcommittees to examine (a) fundamental rights, (b) franchise, (c) judiciary, (d) federal and provincial constitutions.

Although no formal change in the relationship between the federal government and the provinces has taken place since partition, a tendency to increasing central control may be noted. In Sind two premiers have been dismissed by the Governor on the orders of the Governor General, one for maladministration and the other for electoral misconduct. Whereas in Sind the dismissed premiers were each succeeded by another who formed a new cabinet, in the West Punjab

the intervention of the central government was more drastic. In that province, the Governor General directed the Governor to dismiss the Provincial Assembly and take over the administration until new elections could be held. The reasons given by the Governor General were that "Public life has been demoralized by corruption, and the discipline of the services destroyed by intrigue. The main cause is the failure of the members of the Legislative Assembly, elected in different circumstances, to rise to the greater responsibility which independence brings."

The existing provincial assemblies were elected on a restricted property or educational franchise. The Central Assembly was indirectly elected from the same franchise. As a consequence, large land and business interests are heavily represented. If, as is generally assumed, the next elections are held on a basis of adult or adult male suffrage, a much wider representation may be expected, involving extensive agricultural and social reforms.

### Issue of Land Reform

In the existing provincial assemblies, and provincial League organizations, indeed, land reforms have been a principal subject of discussion. In the North West Frontier Province the Government's proposed abolition of "jagirs"<sup>4</sup> has caused several landlords to go into opposition. The East Bengal Government is grappling with the 160-year-old problem of the Permanent Settlement of Bengal, under which land revenue was permanently fixed by Lord Cornwallis. In Sind an attempt is being made to give occupancy rights to landless laborers. In the West Punjab the alleged maldistribution of land to agricultural refugees was an important factor in the downfall of the Mamdot Ministry.

Adult suffrage may have another consequence also. The Prime Minister has referred to his aim as "Islamic Socialism" and has stated that "all reforms will be carefully considered in the light of the Shariat."

The Shariat, literally "The Path," may be described as "the canon law of Islam, as applied in the days of the early Caliphs" comprising as an infallible doctrine of ethics the whole religious, political, social, domestic and private life of those who profess Islam.<sup>5</sup> Much of it is concerned with religious duties, with prayer, fasting, and pilgrimage, and with marriage and divorce. But its economic and social teaching, if fully applied, as it has seldom been since the days of the early Caliphs, would have a strong leveling influence. The enforcement of "Zakat," the annual payment of

<sup>4</sup> Jagirs: lands granted by former governments in perpetuity.

<sup>5</sup> *Encyclopedia of Islam*, article on Sharia.



one-fortieth of a Muslim's total assets as a poor rate; the inheritance laws which require estates upon death to be divided among a large number of beneficiaries; and the prohibition of usury might be important factors in the creation of Liaquat Ali's "Islamic Socialism." Religious enthusiasm, and appeals to the Shariat, seem likely to furnish as effective slogans to the widened electorate as demands for land reforms.

The princely States are of far less importance in Pakistan, where they contain less than 4 percent of the population, than in India, where they contain 25 percent. Consequently, although Pakistan has lent officers to the governments of the largest of them, as yet the question of their merger with neighboring provinces has not been raised. In the tribal areas the loose British system of supervision through political agents and locally recruited armed constabulary has been retained, but the army has been withdrawn without any apparent evil consequences.

In conclusion, it may be said that the Pakistan government has shown notable solidarity throughout a very difficult period. The provinces have been less successful, but whenever the provincial governments have been in danger of disintegration, the central gov-

ernment has been quick to intervene. One of Pakistan's greatest internal political problems is to win the loyalty of the religious minorities. The men in power have repeatedly stressed their anxiety to do so, and the minorities have a symbolic place in the white strip on the green national flag. But their wholehearted enthusiasm for the state can hardly be expected until the caste Hindus, who form the greater part of them in both numbers and influence, receive adequate representation in ministries and services. Such a move, however, appears to depend mainly on improved relations between Pakistan and India.

Until the Committee of the Assembly reports little more can be known of Pakistan's future constitution. Some trends, however, may be observed. First, it seems universally agreed that every adult male will have a vote in both provincial and federal elections. Second, there is considerable, though not general, support for a proposal to merge the three provinces of Western Pakistan, Sind, West Punjab, and the North West Frontier Province, into a single unit of the federation. Third, some of the constitution-makers appear attracted by the separation of the executive and the legislature on the American model.

## The Nanking Press: April-September 1949

In Nanking's newspapers after "liberation" an American observer finds clues to the new direction of Chinese thought and policy.

BY KNIGHT BIGGERSTAFF

THE CHINESE COMMUNISTS frankly regard the press as an instrument of propaganda—as an important means of "educating" the people. An examination of the Communist press can be enlightening in its disclosure of the points the party is emphasizing at any given moment and of the ideas it wishes to put into the minds of readers. The present writer was in Nanking when the city was "liberated" by the Communists on April 24, 1949 and remained there for the next five months. Thus he had an opportunity to observe the first steps taken by the Communists, and, by reading the local newspapers, to discover what they wanted the populace to believe. What follows is a brief analysis of the Nanking press during the first five months of the new regime.

In the period immediately before the flight of the Central Government, some fifteen daily newspapers were published in Nanking. At one time there had

been a larger number, but several had died natural deaths and others, most notably the outspoken *Hsin Min Pao* and *Nanking Jen Pao*, had been suppressed by the authorities.

For a short time after the People's Liberation Army entered Nanking a few of the pre-liberation newspapers, including the Catholic *I-shih Pao*, the *Nanking Jih-pao*, and the *Chung-kuo Jih-pao*, continued to appear, the employees of the newspapers in most cases having taken over their operation from the former publishers. Even the official Kuomintang organ, the *Chung-yang Jih-pao*, appeared on the morning of April 24, startling its old readers with an enthusiastic welcome to the "liberators" and the attribution of most of its news to the Communist New China News Agency. During the following weeks more than a score of half-sized single-sheet newspapers were published, some for only two or three days, others for longer periods. The printing plant of the *Chung-yang Jih-pao* was taken over by the New China News Agency, which published a *Chieh-fang Hsin-wen* (Liberation News) for several days, but on April 30 changed the name to *Hsin Hua Jih-pao* (New China Daily). This has since continued

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FAR EASTERN SURVEY

to be the official organ of the new regime in Nanking. May 17 was set as the final date for the registration of Chinese-language newspapers and on that day all papers ceased publication except the *Hsin Hua Jih-pao* and the *Chung-kuo Jih-pao* (China Daily). The latter, immediately prior to the liberation, had been regarded as the most independent newspaper published in Nanking. Later two other papers, suppressed by the former regime, were registered and began to appear: the *Hsin Min Pao* (New People's Paper), on June 3, after a lapse of almost ten months, and the *Nanking Jen Pao* (Nanking People's Paper) on July 7, after a lapse of more than five months. With the reopening of communications following the "liberation" of Shanghai on May 25, newspapers began to come in from that city once more. The *Shanghai Ta Kung Pao* (L'Impartial), in spite of a drastic change in its ideological orientation and modification of the traditional independence of its editorial page, remains the best newspaper in the region and the favorite of the more literate Nanking readers.

### Purpose of Registration

On May 13, interim regulations governing the registration of Chinese-owned and Chinese-operated newspapers, magazines, and news agencies were issued by the Nanking Military Control Commission. These required, among other things, the filing of information regarding the present and past political views, records, and connections of the publishers and of all editors, correspondents, technical personnel, and stockholders. The declared purpose of registration was "to protect the people's freedom of speech and of the press, and to deprive anti-revolutionists of freedom of speech and of the press." Newspapers, magazines, and news agencies were forbidden by the regulations "(1) to violate the laws and regulations of the Control Commission or of the People's Government; (2) to carry on propaganda against the democratic activities of the people; (3) to divulge national or military secrets, or (4) to publish rumors or slander."

The *Hsin Hua Jih-pao* was the most widely read newspaper in Nanking. This was partly because it published all official proclamations and regulations (as well as a great deal of other material that literate people were expected to be familiar with), and partly because in addition to readers who bought or borrowed copies it reached a large audience through copies posted daily on walls at strategic locations throughout the city. It consisted of four full-sized pages—and occasionally of six or eight—in contrast to the four half-sized pages of the other local papers, and was well printed on good paper.

Most of the space in the *Hsin Hua Jih-pao* was given

over to matters of national or local interest. Of primary importance and, in fact, the only parts of the newspaper read by many people were the official proclamations, instructions, and regulations already mentioned above. These ran all the way from instructions to report soldiers who tried to board buses or enter theaters without buying tickets, through local curfew, traffic, and other police regulations, to currency and foreign trade regulations, provisions for the establishment of national labor, youth, women's, and other such organizations, and the new Organic Law of the People's Democratic Republic of China.

Presumably no less important in the eyes of the authorities were the speeches and articles of prominent Communists and fellow-travelers and the biographies of military and political leaders. Most of the biographies appeared during the first weeks after liberation, but the speeches and articles, some of which had been delivered or written several years before, continued to be published in nearly every issue. Among the latter were policy statements by Mao Tze-tung, Liu Shao-chi, Chen Po-ta, and Liu Po-cheng—who was at that time mayor of Nanking. The speeches delivered at the opening of the meeting called to plan the Political Consultative Conference filled nearly half the space in the June 20 issue, and Mao's statement on the occasion of the 28th anniversary of the founding of the Chinese Communist Party took up the entire front page of the July 1 issue. Articles by little-known persons were given significance by the fact of their appearance in this official publication. The same may be said for the regularly unsigned editorials, which generally addressed themselves to some event of the moment such as a national youth or labor meeting, a conference on literature and the arts, or the Political Consultative Conference; or to some subject of current urgency such as the elimination of the black market in silver and foreign currencies or the necessity of converting Nanking from a city of parasitical government employees and their hangers-on into one of productive enterprise; or perhaps to some international topic.

Domestic news items, no less than speeches, feature articles, and editorials, were presented in such a way as to serve the cause of the New Democracy. News of the fighting was generally accurate, although the reports usually lagged several days behind the event. Supplementing the news were human interest stories describing the anti-social acts of Kuomintang soldiers and police before the liberation, the exemplary behavior of the People's Liberation Army, and the enthusiastic reception accorded the liberators everywhere. Although the news was generally optimistic, reports of failure, even of internal opposition, occasionally appeared. Unfavorable reports appear to have been published only when they

could be made to serve a particular purpose. For example, although brief reports of local flood conditions had been published from time to time, it was not until July 13 that the extent of the disaster along the Yangtze and Yellow Rivers was disclosed, presumably at that particular time in order to explain food shortages and the resultant skyrocketing of prices. A favorite type of news story consisted of the reports of meetings of laborers, students, teachers, and other groups to welcome the liberators, to study the doctrines of the New Democracy, or to reorient the activities of members.

### Reports of Achievement

No less common were reports of the achievements of this or that group: laborers who had saved machinery or vehicles from Kuomintang demolition; workers who had quickly repaired damaged railroads, mines, factories, and dykes; technicians who, after group study and discussion of Mao's *New Democracy*, had increased their production by working more efficiently, or for longer hours; students who enlisted in political cadres to serve in newly liberated areas, and so on. Other articles described various phases of the rehabilitation of Manchuria and of economic and educational developments in North China; and still others called attention to the improvement in popular living standards following the introduction of the People's currency or outlined new salary schedules for professors, officials, and other occupational groups. Membership lists of both local and national committees and other bodies and announcements of the names of students who had successfully passed examinations occupied considerable space in the daily press.

Almost every issue of the *Hsin Hua Jih-pao* included an article or two about the Soviet Union, the Communist satellite countries in eastern Europe, or Russian-dominated international organizations such as the World Federation of Trade Unions. Some of these were translated from the Russian, others were written directly in Chinese. Examples of the former were excerpts from the writings of Lenin, the May Day proclamation of the Central Executive Committee of the Russian Communist Party, an essay entitled "Our Pushkin," eulogies of the Bulgarian Communist Dimitrov, and articles on Russian labor organization, industrial development, education, cooperatives, etc., translated from Russian periodicals. Examples of the latter included articles on Gorki, Dimitrov, Russian music and drama, Russian leadership of international labor, and various aspects of the history of the Soviet Union and the "new democracies" of eastern Europe. Such writings were usually eulogistic in tone, never critical.

Ordinarily between a fifth and a fourth of the space in the *Hsin Hua Jih-pao* was given over to foreign and international news, with dispatches and articles covering the whole range of present-day Russian interest and showing undeviating adherence to the current Soviet line. Nearly all foreign news items carried the byline of the New China News Agency, but most of them also credited Tass or the Polish News Agency. American and other "imperialist" news sources were used only when, quoted out of context, they supported the Russian position, or when the quotation of partial truth served the same purpose.

The combination of Russian anti-Americanism and Chinese Communist bitterness over American aid to the Kuomintang resulted in studied distortion, and sometimes even in falsification, of news concerning the United States and its overseas activities. To illustrate: on the day the last American naval units were withdrawn from Tsingtao the *Hsin Hua Jih-pao* announced that large reinforcements of American naval craft had arrived in that port and that over a thousand marines had been put ashore; on another occasion it declared that Formosa had been purchased from Chiang Kai-shek by the United States for use as a military base; several times the American Secretary of State was charged with secretly negotiating a Pacific alliance similar to the North Atlantic Pact; and there was a steady campaign of charges that the United States was secretly rebuilding the Japanese army and encouraging the resumption of political and economic control of Japan by reactionary elements.

In reporting events within the United States the *Hsin Hua Jih-pao* faithfully followed the Moscow line—in fact nearly all such stories came through the Tass News Agency. Opposition to the Marshall Plan and to the North Atlantic Pact was played up to give the impression that a Wall Street-controlled government was forcing them upon an unwilling American people. Shortcomings in American democratic procedure and evidences of economic recession were spotlighted: favorite examples of the former were cases of racial discrimination, and typical of the latter were almost daily reports in June and July of drops in the stock market, increases in unemployment, and declines in commodity prices.

The "reactionary" character of the big American labor organizations was frequently alluded to, even while the strikes they called were described as desperate measures taken by the workers against their capitalist oppressors. One day a sympathetic story of a strike of Ford workers against the "speed-up" appeared on the same page with an account of the "voluntary" decision of the Nanking motor repair workers union to "repair more! repair better! repair faster!"



frequent accounts of the activities of the American Communist Party and of other "progressive elements" greatly magnified their importance and influence in the American scene.

### Attack on White Paper

Release by the Department of State on August 5 of the White Paper on *United States Relations with China* touched off an almost hysterical anti-American outburst in the Nanking press. Not waiting to begin their campaign until they could secure a copy of this bulky document, the Chinese Communists for several weeks caused the broadcast version of Secretary Acheson's Letter of Transmittal for ammunition. Day after day editorials, speeches, resolutions, and reports of round-table discussion groups and protest meetings were spread across the pages of the *Hsin Hua Jih-pao*, challenging American policy and the White Paper from every angle.

Particularly singled out for attack was Acheson's statement that "We continue to believe that . . . the profound civilization and the democratic individualism [which the Communists translated "democratic individualism"] of China will reassert themselves and she will throw off the foreign yoke. I consider that we should encourage all developments in China which work toward this end." This was interpreted as an appeal to all Western-educated Chinese to work secretly against the new government and as a promise that such efforts would be aided by the American government. During a period of more than a month only one issue of the official newspaper failed to refer to the White Paper and sometimes extra pages had to be added to include all the attacks.

For a Chinese paper the *Hsin Hua Jih-pao* devoted an unusually large amount of space to European affairs, and persons familiar with Russian propaganda on the Marshall Plan, the North Atlantic "Aggression" Pact, the Conference of Foreign Ministers, and the German question found it faithfully reflected in this Nanking newspaper. Here also were the same vitriolic attacks on the anti-Communist governments of western Europe and on Tito, and the same explanations of the Greek and Italian situations as were published in *Pravda* and *Izvestia*. One invariably found the "peace-loving" USSR leading the propertyless peoples of Europe, and of the whole world for that matter, against the aggressive "secret plans" and actions of "Imperialist America" and its western European satellites.

The Russian propaganda line regarding Asia was no less faithfully followed. Nehru was declared to have sold out to American and British capitalism, thus betraying the Indian revolution; the invasion of the princely state of Hyderabad by the Indian army was

portrayed as an act of aggression against the exploited masses; Hatta was also said to have sold out to American imperialism, thereby betraying not only Indonesia but all the peoples of southeast Asia; and South Korea, in contrast to "independent democratic" North Korea, was spoken of as a colony of the United States. Even with regard to the negotiation of a peace treaty with Japan, the Russian position that the small nations should be excluded and Russia and China have veto rights was maintained, on the ground that "China and Russia had made the principal contributions to Japan's defeat."

A substantial portion of each issue of the *Hsin Hua Jih-pao* was given over to stories, slogans, poems, songs, and cartoons praising Mao Tse-tung, the New Democracy, the People's Liberation Army, the laboring class, or some cause being pushed at the moment, or attacking Chiang Kai-shek and his reactionary associates, American imperialism, black market operators, or other enemies of the people. Historical sketches often depicted the struggles and achievements of early revolutionary heroes. A "letter box" welcomed criticism of all phases of life: speeding vehicles, official inefficiency, behavior of individuals and groups that was not in accord with the New Democracy; and answered questions ranging all the way from the time of train and bus departures, to problems of social ethics and political theory. Many letters suggesting improvements in the newspaper, in the city, and even in the administration of national affairs were published. Finally there was a daily chart of wholesale prices, and a half page or more of paid advertisements of theaters, shops, department stores, schools, etc., lost and found notices, and engagement, wedding, and divorce announcements. At least once a week a part or all of one page was devoted to the promotion of public health; and there was a weekly pictorial supplement, with pictures of public events and achievements of various kinds and sometimes propaganda cartoons.

Special issues of the *Hsin Hua Jih-pao* were published to commemorate such important days as International Labor Day (May 1) and the anniversaries of the founding of the Chinese Communist Party (July 1) the 1925 Shanghai Incident (May 30), the Japanese attack at the Marco Polo Bridge (July 7), and the signing in 1945 of the treaty between the Central Government of China and the USSR (August 14). In each case editorials, special feature articles, and songs, poems, and cartoons celebrating the event were included.

Although privately owned, the other three Nanking newspapers were little more than pint-sized versions of the *Hsin Hua Jih-pao*, for they included, as far as space limitations permitted, virtually all the types of material mentioned above. Some readers preferred them to the

*Hsin Hua Jih-pao* primarily because of their smaller size required them to be briefer in what they had to say and to leave out much of the duller propaganda carried by the official paper. But they derived all of their international and much of their Chinese news, and not a few of their feature articles and editorials, from the official New China News Agency. Moreover, they went out of their way to conform to the party line; in fact, some of the most malicious anti-American articles published in Nanking during the summer appeared in the small papers rather than in the *Hsin Hua Jih-pao*.

While the *Hsin Min Pao* maintained private wire connections with Shanghai and Peking and a small staff of its own reporters, thus supplying its readers with more of what we call "news" than the other papers, it was reported by the end of the summer to be in financial difficulties and to be applying for permission to close down. The *Chung-kuo Jih-pao* actually did cease publication for awhile, and may no longer be appearing. The political and economic decline of Nanking, combined with the new interpretation of what constitutes news, was rapidly making it financially impossible for any but government-supported newspapers to carry on.

Although the importance of Nanking appears to be slight in the eyes of the Chinese Communists, the intellectual fare offered to its people through the press after the "liberation" differed little from that reportedly supplied to the citizens of Shanghai, Hankow, Canton, and other central and south China cities. Not only was Communist news policy made in Peking but most of the copy originated there also. During the next few years as the government of the People's Democratic Republic of China struggles with the many problems it has fallen heir to, the material it releases for publication in the Chinese press will bear careful watching as an indication of the direction official policy may be expected to take.

#### MICROFILM EDITION AVAILABLE

The American IPR has entered into an agreement with University Microfilms to make available to libraries issues of the *Far Eastern Survey* in microfilm form, at a cost approximately equal to the cost of binding the same material in a conventional library binding. Under the plan, the library keeps the printed issues unbound and circulates them in that form for from two to three years. When the paper copies begin to wear out or are not called for frequently, the microfilm is substituted.

Sales are restricted to those subscribing to the paper edition, and the film copy is distributed only at the end of the volume year. Inquiries concerning purchase should be directed to University Microfilms, 313 North First Street, Ann Arbor, Michigan.

## Cooperation under the Netherlands-Indonesian Union

EDITOR'S NOTE: This summary of the terms of the Hague Agreement of 1949 as regards nationality, foreign relations, and economic and cultural relations supplements Professor Vandenbosch's article on "The Netherlands-Indonesian Union" in the *Far Eastern Survey* of January 11, 1950.

THE RELATIONS BETWEEN the Netherlands and Indonesia are now governed by a Charter of Transfer of Sovereignty, a Union Statute, a number of "Agreements," and further, numerous exchanges of letters in which the understanding of the parties concerning many points is clarified. Although sovereignty has been transferred, the Charter of Transfer still has force because it contains provisions for the present administration of New Guinea and its final disposition.

The Statute defines the character and purpose of the Union and makes provision for its organs, but, except for an article (Article 24) on nationality, contains no specific commitments on cooperation between the parties. There is merely the statement in Article 2 that "the Union aims at cooperation of the partners for the promotion of their common interests" and that "this cooperation shall take place primarily with respect to foreign relations, defense, finance ("as far as necessary") and "in regard of subjects of an economic and a cultural nature." Separate articles state that provisions concerning the cooperation in each of these fields are set forth in agreements attached to the Statute.

The article on nationality in the Statute (Article 24) grants the nationals of one party the right to hold office within the jurisdiction of the other, subject to certain limitations. The office must not be one of which the holder is responsible to a representative body, "unless the law should provide otherwise." This provision seems to indicate that only Netherlands who have accepted Indonesian nationality can fill the six seats reserved for Europeans in the Indonesian House of Representatives. Likewise excluded from this provision

1 A complete collection of the documents in English has been issued by the Secretariat-General of the Round Table Conference under the title, *Round Table Conference: Results As Accepted in the Second Plenary Meeting held on 2 November 1949 in the "Ridderzaal" at The Hague*. The collection also carries as an appendix, separately paged, the provisional constitution of the Republic of Indonesia.

2 Provisional administration by the Dutch; future status to be determined by negotiation within a year from December 27, 1949 (the date of transfer of sovereignty).

3 Article 20, foreign relations; Article 21, defense; Article 22, financial and economic relations; Article 23, cultural relations.



at "those political, authoritative, and leading offices which are specified as such by law." The partners further agree to make no "appreciable discrimination between their respective nationals and corporate bodies." In any case the latter are not to receive within the jurisdiction of the other partner less than most-favored-nation treatment.

The Agreement on the regulation of cooperation in foreign affairs contains five brief articles and provides for little more than coordination, which is to be achieved through consultation. There will be joint or common representation in international intercourse only where both partners decide that it is in their interest (Art. 1). However, in case one of the partners does not have diplomatic representation in a foreign country he shall have his interests represented in that country "by preference" by the diplomatic representative of the other partner (Art. 4). Each is to determine and conduct its own foreign policy, but "they shall aim at coordinating their foreign policy as much as possible and at consulting each other thereon" (Art. 2). Neither partner shall conclude a treaty, nor "perform any other judicial act in international intercourse" unless after consultation with the other, but this obligation is prescribed only in cases "involving the interests of the other partner" (Art. 3). Each shall when requested extend to the other technical or other cooperation in foreign relations, "to the best of his ability" (Art. 5).

In the field of commercial policy the provisions for cooperation are more specific and binding. While each state has its own foreign trade policy, they shall take joint action "as far as it is considered profitable and beneficial to both parties." Joint action seems to be prescribed with regard to the countries of Europe. In case one of the partners does not wish to take part in a specific trade agreement, the other is free to proceed with negotiations, and the non-participating partner shall refrain from concluding a separate trade agreement. In negotiating with third countries the partners will have a joint policy and be represented by "coordinated" delegations, with a chairman appointed from the delegation having the greater interest in the discussions concerned.

It is interesting to note that the Financial and Economic Agreement envisages mutual preferential trade treatment (Art. 22). This would be a reversal of policy. While the East Indies Government resorted to quotas and other protective commercial devices in the world depression, there were no tariff preferences between the metropolitan country and the dependency. Unlike the Philippines, Indonesia is not faced with the problem of weaning itself from an artificially-produced, overwhelming trade dependence on one country.

\* Financial and Economic Agreement, Article 21.

Whether another preferential tariff arrangement reflects a desirable trend and whether it will be welcomed in all foreign offices is a question which need not detain us here.

The Agreement seems ambiguous about the position of Dutch nationals and corporate bodies within the jurisdiction of Indonesia in so far as business enterprise is concerned. On the one hand they are assured most-favored-nation treatment, and "foreigners of all nations will have equal rights in the participation of trade with Indonesia and in the economic activity and industrial development" of Indonesia, but on the other hand the latter "recognizes that the special interests of Netherlands nationals and corporate bodies within Indonesia will be fully taken into account . . ." (Art. 11). It is clear, however, that the Dutch in Indonesia are not to have anything like the preferred position which Americans enjoy in the Philippines.

The most interesting, and in the long run probably the most significant, of the many agreements concluded at the Hague Round Table is the one on cultural cooperation. While the agreement is aimed at the promotion of cultural relations between the two countries, these relations are nevertheless to bear "a universal character and aim at the realization of the free expansion of the free human mind." To promote the realization of the objects of the agreement there will be set up a joint committee of fourteen members, seven from each partner. The joint committee is authorized to set up working committees for the consideration of special objects. Each country is to promote within its own territory "a reasonable knowledge of the fundamental elements of the other partner's culture." This is to be done "by means of radio, films, press, libraries, distribution of reading matter, education and manifestations of art." The two countries undertake to promote "the exchange of radio broadcasts in the cultural field and of news." At request each is to support the other in the development of education and science and the promotion of culture.

The Agreement also envisages the exchange of teachers, professors, scientists, and artists, the granting of scholarships for use in the other country, the standardization of certificates and degrees and the translation of publications of one country into the language or languages of the other. They shall also promote "the establishment of contacts between organizations recognized by the respective countries and active in the cultural field, including youth organizations." The Agreement calls for cooperation between the two for an early survey of "the state of science" in Indonesia, "in particular with respect to natural science, technical, medical science, history, language, economics and adat law."

AMRY VANDENBOSCH



# NEWS CHRONOLOGY

February 3 to 16, 1950

February 3: *India*. India is reported to have lodged a protest with Pakistan over the alleged mistreatment of Hindus in East Bengal.

February 3: *Japan*. Premier Yoshida tells the Diet that Japan is ready to send trade representatives to Communist China as soon as Allied Headquarters will permit it.

February 4: *China*. Radio reports from China state that the Peking government has created an East China regional government embracing Shantung, Kiangsu, Anhwei, Chekiang, Fukien, and Nationalist-held Formosa.

February 5: *Pakistan*. Pakistan lifts economic sanctions against South Africa pending negotiations on the rights of Asian minorities there.

February 6: *India*. Prime Minister Nehru tells the press that India will adopt a wait-and-see attitude toward both Indochina and Tibet.

February 7: *Indochina*. The United States and Great Britain extend full diplomatic recognition to the Bao Dai government of Vietnam and to the independent states of Laos and Cambodia.

February 7: *India and Pakistan*. Representatives of both governments appear before the UN Security Council to defend their respective positions with regard to Kashmir.

February 8: *China*. The Nationalist regime formally asks the UN to set up a sea and air patrol between Formosa and the Chinese mainland to guard against Soviet naval and air aid to the Chinese Communists in any attempt to capture Formosa.

February 8: *Indochina*. Belgium recognizes the Bao Dai government in Vietnam and the states of Laos and Cambodia. Bulgaria recognizes the government of Ho Chi Minh.

February 9: *China and Korea*. After defeating a Korean aid bill three weeks ago, the US House of Representatives passes a combined aid bill authorizing short-term economic assistance for south Korea and for the Chinese Nationalists on Formosa.

February 9: *Japan*. SCAP announces that the Japanese government is authorized to set up official trade agencies in the United States, although the Japanese trade representatives will have no diplomatic or consular privileges.

February 10: *China*. The US government protests to the Chinese Nationalists against the "deliberate" and repeated bombing of US property in Shanghai. The US Senate passes the Formosa-Korea aid bill.

February 10: *Indonesia*. The Export-Import Bank agrees to lend up to \$100,000,000 to the United States of Indonesia for the purchase of US capital goods needed for the reconstruction of the Indonesian economy.

February 11: *Japan*. Premier Yoshida's conservative Democratic Liberal Party is strengthened by the admission of 23 Diet members from the opposition Democratic Party.

February 12: *Malaya*. Reports from Singapore state that 100,000 civilians are being mobilized to aid Malayan police and troops against Communist guerrilla forces.

February 12: *Pakistan*. Iran, Afghanistan, and Pakistan are reported to be opening negotiations for an alliance.

February 13: *India and Pakistan*. The Indian parliament passes a bill aiming at the expulsion of nearly 500,000 Moslems who are alleged to have infiltrated into Assam from East Bengal in Pakistan during the past two years. Prime Minister Liaquat Ali Khan of Pakistan states that riots in Calcutta have driven thousands of Moslems from that city into East Bengal.

February 13: *United States*. US State Department officials in the Far East meet in Bangkok with Ambassador-at-Large Philip C. Jessup to discuss regional problems. The US Joint Chiefs of Staff report to the press in Washington after a ten-day inspection trip to Japan and key Pacific bases, expressing satisfaction with the combat efficiency of US armed forces in Far Eastern outposts.

February 14: *China*. The People's Republic of China signs a thirty-year treaty of friendship, alliance, and mutual aid with the Soviet Union. The treaty provides that China will receive \$300,000,000 in credits from the Soviet Union, and that Dairen, Port Arthur, and the Changchun railway will be returned to China after the signing of a Japanese peace treaty or by 1952.

February 15: *China*. US Secretary of State Acheson tells the press that the most significant features of the Sino-Soviet agreement are probably contained in secret protocols.

February 15: *United States*. The Bangkok conference of US Far Eastern diplomats comes to an end. A conference communique notes that "discussions were conducted within the general framework of the announced policy of the United States to support the independence and the nationalist aspirations of all Asian peoples."

February 16: *Korea*. President Syngman Rhee of Korea, on a visit to General MacArthur, invites Japan to put aside old animosities and join Korea in an anti-Communist alliance under the leadership of MacArthur.

February 16: *Pakistan*. An agreement is reported in process between Pakistan and South Africa under which the latter will supply a minimum of 1,500,000 tons of coal annually to Pakistan at rates cheaper than Indian coal.

The FAR EASTERN SURVEY accepts no responsibility for the accuracy of items in the "News Chronology." The chronology is based on reports in the *New York Herald Tribune* and the *New York Times*. It is prepared by Irving I. Kramer.

## FAR EASTERN SURVEY

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EX-6

100-64700-123

Date: April 27, 1950

To: Mr. Jack B. Neal  
Associate Chief  
Division of Security  
Department of State  
515 - 2nd Street, N. W.  
Washington, D. C.

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ON 3-17-83

103104

From: John Edgar Hoover - Director, Federal Bureau of Investigation

Subject: INSTITUTE OF PACIFIC RELATIONS  
Internal Security - C

In accordance with your previous request to be furnished with copies of the "Far Eastern Survey" published by the above organization, I am enclosing herewith for your information two photostatic copies of the March 8, 1950, issue of that publication.

Enclosure

cc

cc - Director of Intelligence  
General Staff  
Department of the Army  
The Pentagon  
Washington 25, D. C.

ATTENTION: Chief, Security and Training Group (w/enc. 2)

cc - Director of Naval Intelligence  
Department of the Navy  
The Pentagon  
Washington 25, D. C.

cc - Director of Special Investigations (I.C.)  
Department of the Air Force  
The Pentagon  
Washington 25, D. C. (w/enclosure)

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Nichols \_\_\_\_\_  
Rosen \_\_\_\_\_  
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Gandy \_\_\_\_\_

MAY 4 1950

BY SPL. MSGR.

APR 28 1950

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24 AB38  
AB38 HWS

Office Memorandum

• UNITED STATES GOVERNMENT

TO : MR. A. H. BELMONT

FROM : MR. C. E. HENRICH

SUBJECT: INSTITUTE OF PACIFIC RELATIONS

DATE: March 29, 1950

Mr. Tolson \_\_\_\_\_

Mr. Clegg \_\_\_\_\_

Mr. Glavin \_\_\_\_\_

Mr. Ladd \_\_\_\_\_

Mr. Nichols \_\_\_\_\_

Mr. Rosen \_\_\_\_\_

Mr. Tracy \_\_\_\_\_

Mr. Egan \_\_\_\_\_

Mr. Gurnea \_\_\_\_\_

Mr. Harbo \_\_\_\_\_

Mr. Mohr \_\_\_\_\_

Mr. Pennington \_\_\_\_\_

Mr. Quinn Tamm \_\_\_\_\_

Tele. Room \_\_\_\_\_

Mr. Nease \_\_\_\_\_

Miss Holmes \_\_\_\_\_

Miss Gandy \_\_\_\_\_

ASAC Whelan of New York advised this morning that the first batch of photostats of the pictures taken by the Boston Office in this matter were sent to the Bureau at midnight last night. Another batch will be dispatched at noon today, and another at midnight. This program will be continued until all have been completed.

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1 APR 5 1950



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Mr. Clegg ☐  
Mr. Glavin ☐  
Mr. Nichols ☐  
Mr. Rosen ☐  
Mr. Tracy ☐  
Mr. Harbo ☐  
Mr. Belmont ☐  
Mr. Mohr ☐  
Mr. Nease ☐  
Mr. Winterrowd ☐  
Tele. Room ☐  
Mr. Holloman ☐  
Miss Gandy ☐

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cc Mr Belmont

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3/17/83

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SUCH REPORT BY APRIL TEN AND NEW YORK, WHICH IS ORIGIN, WHICH MUST SUBMIT SUMMARY

REPORT BY APRIL TWELVE. NEW YORK SHOULD FURNISH FOREGOING INSTRUCTION TO ANY

OTHER OFFICES TO WHICH IT HAS BEEN MAILED RECEIVED FROM

COMMUNICATIONS SECTION

APR -6 1950

TELETYPE

58 APR 17 1950

SENT VIA

Bureau Radio 24 APR

Per 60-

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FEDERAL BUREAU OF INVESTIGATION  
UNITED STATES DEPARTMENT OF JUSTICE

FD-86

Mr. Tolson \_\_\_\_\_  
Mr. Ladd \_\_\_\_\_  
Mr. Clegg \_\_\_\_\_  
Mr. Glavin \_\_\_\_\_

b7C

4/15  
[Redacted]

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APRIL 2, 1950

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DIRECTOR AND SAC

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REPRESENTATIVES OF THE INSTITUTE OF PACIFIC RELATIONS. AT THAT TIME SHE  
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ECONOMY AND POLITICS, AN AFFILIATE OF THE IPR. [Redacted]

[Large redacted block]

100-64700

100-2071  
Approved:

Special Agent in Charge

MAY 3 1950

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Sent APR 22 1950 Per

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1 Page(s) withheld entirely at this location in the file. One or more of the following statements, where indicated, explain this deletion.

- ☒ Deleted under exemption(s) b7C with no segregable material available for release to you.
- ☐ Information pertained only to a third party with no reference to you or the subject of your request.
- ☐ Information pertained only to a third party. Your name is listed in the title only.
- ☐ Document(s) originating with the following government agency(ies) \_\_\_\_\_, was/were forwarded to them for direct response to you.

\_\_\_\_\_ Page(s) referred for consultation to the following government agency(ies); \_\_\_\_\_ as the information originated with them. You will be advised of availability upon return of the material to the FBI.

\_\_\_\_\_ Page(s) withheld for the following reason(s):  
\_\_\_\_\_  
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☐ For your information: \_\_\_\_\_  
\_\_\_\_\_

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100-64700-NOT RECORDED DATED 4-2-50

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X NO DUPLICATION FEE X  
X FOR THIS PAGE X  
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FEDERAL BUREAU OF INVESTIGATION  
UNITED STATES DEPARTMENT OF JUSTICE

Transmit the following Teletype message to:

PAGE THREE

b7C [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] SHE ALSO MADE  
REFERENCE TO LATTIMORE AND THE IPR IN HER BOOK ENTITLED QUOTE THE LAST CHANCE  
IN CHINA UNQUOTE, CHAPTER EIGHT, PAGES ONE NINETEEN AND ONE NINETEEN.  
HERE SHE SETS FORTH POSSIBLE CONNECTION BETWEEN THE IPR AND THE KREMLIN.  
SHE STATED HERE QUOTE IN THE SPRING OF NINETEEN THIRTYONE, CHEN LATTIMORE  
ATTEMPTED TO ARGUE WITH THE THEORISTICALS OF OUR INSTITUTE ON QUESTIONS  
CONCERNED WITH MONGOLIA BUT HE WAS OVERBORN BY THE PRESTIGE OF THESE HIGH  
PRIESTS OF COMMUNISM UNQUOTE. FREDA WILKINSON WAS OF THE VERY DEFINITE OPINION THAT  
THE IPR WAS GOVERNED BY THE POLICIES OF THE SOVIET. THE POLICY FORMING  
OFFICIALS OF THE FAR EASTERN SECTION OF THE STATE DEPARTMENT WERE GUIDED BY  
THE REPRESENTATIVES AND POLICIES OF THE IPR OF WHICH SUCH REPRESENTATIVES

b7C [REDACTED]  
100-20545

Approved: \_\_\_\_\_

Special Agent in Charge

Sent \_\_\_\_\_

M

Per \_\_\_\_\_

RECEIVED

FEDERAL BUREAU OF INVESTIGATION  
UNITED STATES DEPARTMENT OF JUSTICE

Transmit the following Teletype message to:

**PAGE FOUR**

OWEN LATTIMORE WAS A PROMINENT FIGURE, AN EXAMPLE OF THIS CONNECTION BETWEEN THE STATE DEPARTMENT AND THE IPR WAS GIVEN AS IN NINETEEN FORTYTHREE LAWRENCE SALISBURY RESIGNED FROM THE STATE DEPARTMENT TO EDIT THE IPR MAGAZINE AND PHILIP JESSOP LEFT THE IPR TO GO TO THE STATE DEPARTMENT.

100-205

Approved: \_\_\_\_\_  
Special Agent in Charge

Sent \_\_\_\_\_ Per \_\_\_\_\_



FEDERAL BUREAU OF INVESTIGATION  
UNITED STATES DEPARTMENT OF JUSTICE

Transmit the following Teletype message to:

**PAGE FIVE**

[illegible]

ADDITIONAL MATERIAL FURNISHED BY  
UTLEY WILL BE REPORTED IN SUMMARY REPORT. THE SETTING OUT OF PLANS FOR  
THE INTERVIEW OF THESE AFORESAID INDIVIDUALS IS BEING LEFT TO THE  
DISCRETION OF THE BUREAU.

**WATER**

**100-2054**

**ORIGINAL-DIRECTOR**

Approved:

Special Agent in Charge

# Bon

**Poi**

CARBON COPY

FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION

Mr. Tolson	_____
Mr. Ladd	_____
Mr. Clegg	_____
Mr. Glavin	_____
Mr. Nichols	_____
Mr. Rosen	_____
Mr. Tracy	_____
Mr. Harbo	_____
Mr. Belmont	_____
Mr. Mohr	_____
Tele. Room	_____
Mr. Nease	_____
Miss Gandy	_____

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED  
DATE 1-18-79 BY SP-5 KAT/TELETYPE

APR 5 1950

WASHINGTON 310 AND BALTIMORE 31 FROM SFRA 4-5-50  
DIRECTOR, FBI AND SAC, BALTIMORE URGENT  
OWEN LATTIMORE, ESPIONAGE - R. REBUTEL APRIL FOUR INSTANT  
BALTIMORE TEL APRIL TWO.

NOT DECEASED. HE ADVISED INTERNATIONAL  
PACIFIC RELATIONS WAS ORIGINATED IN NINETEEN NINETEEN IN HONOLULU  
TO STUDY INTERNATIONAL PROBLEMS IN PACIFIC.

STATES IN THIRTYFOUR, GEORGE VANDERBILT  
FIELD STARTED FINANCING THE IPR AND IT WAS AT THIS TIME THAT FIELD-  
GROUP TOOK OVER THE OPERATIONS OF THE IPR. THIS GROUP CONSISTED OF  
CARL L. ALSBURG, JOHN KINGSBURY, E. C. CARTER AND OTHERS. IN  
THIRTYSIX OWEN LATTIMORE BECAME A POWER IN THE IPR.

HE WAS GOING TO PLACE HIS FOLLOWING IN THE U.S. GOVERNMENT,  
PARTICULARLY THE STATE DEPARTMENT. THERE WAS  
AT THIS TIME A CONCERTED EFFORT TO INSTALL MEN WHO HAD BEEN SCREENED  
BY FIELD OR CARTER OR OTHER MEMBERS OF THE IPR INTO THE STATE DEPT.  
IN FORTYTWO, IPR MOVED PROFESSOR GEORGE E. TAYLOR TO NYC AND THEN  
TO THE STATE DEPARTMENT OR ONI. TAYLOR SECURED HIS  
AMERICAN CITIZENSHIP IN THREE WEEKS. IN FORTYTHREE THE IPR MOVED  
BEN H. KAIZER FROM SPOKANE, WASH. INTO THE STATE DEPT. AND HE WAS  
END PAGE ONE

Trans. to Belt. #1

100-64700-✓

7d  
PAGE TWO

ASSIGNED IN CHUNGKING, CHINA

CONCERNING THE

IPR IS QUOTE I OBJECT TO THE IPR BECAUSE IT HOLDS ITS MEETINGS AND MAKES DECISIONS IN SUB ROSA MEETINGS WHERE PUBLIC AND REGULAR MEMBERS ARE EXCLUDED. REGULAR MEMBERS HAVE NO VOTE ON POLICY. ALSO THE PEOPLE IN THE INDUSTRIES AFFECTED BY THESE DECISIONS ARE NOT COUNSELED. SECOND, IN MY OPINION AND THIS OPINION IS BASED ON MY EXPERIENCE WITH THE IPR AND THE RESULTS OF THEIR ACTIVITIES I HAVE OBSERVED OVER THE PAST YEARS, I BELIEVE THIS ORGANIZATION HAS INTENTIONALLY OR UNWITTINGLY SERVED THE PURPOSE OF THE SOVIET GOVERNMENT IN THE FAR EAST AND PARTICULARLY CHINA. I BELIEVE THAT THIS ONE ORGANIZATION IS MORE RESPONSIBLE THAN ANY OTHER FOR THE LOSS OF CHINA TO THE COMMUNISTS. I BELIEVE THE MEN WHO HAVE BEEN IN CONTROL OF THE IPR ARE FOLLOWING THE CP LINE FULLY IN THEIR ACTIVITIES. THIRD, I RECOMMEND TO THE GOVERNMENT THAT THE IPR BE FULLY INVESTIGATED AS IT HAS BEEN, IN MY OPINION, A VERY INFLUENTIAL ORGANIZATION IN THE OPERATION OF OUR STATE DEPARTMENT IN PACIFIC RELATIONS SINCE NINETEEN FORTY AND THEIR ACTIVITIES HAVE CONSISTENTLY BEEN TO THE BENEFIT OF THE COMMUNISTS AND THE LOSS BY OTHERS OF CONSIDERABLE TERRITORY AND INFLUENCE TO THE COMMUNISTS. I FIRMLY BELIEVE THIS IS A SERIOUS MATTER AND OF THE UTMOST IMPORTANCE TO OUR GOVERNMENT.

UNQUOTE,

HE HAD MET LATTIMORE AND THAT HE BELIEVES LATTIMORE IS AN INTELLIGENT ENOUGH MAN TO KNOW AND UNDERSTAND WHAT THE POLICIES OF THE IPR WERE AND WHAT THEY WOULD RESULT IN,

END PAGE TWO



b7d  
PAGE THREE

INTERVIEWIN

FOR INFORMATION

CONCERNING IPR-S ACTIVITIES, PARTICULARLY AS RELATES TO THE STATE  
OF WASHINGTON. NO INTERVIEW WITH THESE PEOPLE IS CONTEMPLATED BY  
SEATTLE UNLESS INSTRUCTED TO DO SO BY BUREAU. REPORT WILL BE SUBMITTED  
TODAY.

WILCOX

CORRECTION, PAGE ONE, LINE XX SECOND LINE FROM BOTTOM OF PAGE SHD BE  
"MOVED"

END

HLOLDPLS

ORIGINAL-DIRECTOR

# FEDERAL BUREAU OF INVESTIGATION

Form No. 1  
THIS CASE ORIGINATED AT

BAITIMORE

FILE NO.

65-3058

b7c

REPORT MADE AT Baltimore, BALTIMORE	DATE WHEN MADE 4/5/50	PERIOD FOR WHICH MADE 4/5/50	CHARACTER OF CASE [REDACTED]
TITLE GLEN LATTIMER		ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 10-18-79 BY SP5 RTE/vaw	
SYNOPSIS OF FACTS: b7d [REDACTED] advised the Institute of Pacific Relations was organized in Honolulu in 1919 to study international problems in the Pacific. [REDACTED] [REDACTED] In 1934 GLEN LATTIMER started financing the IPR and it was at this time that FINE's group took over the operations in this organization. FINE's group consisted of CARL L. ALBRO, JOHN KINGSLEY, E. C. CARTER and others. In 1936 GLEN LATTIMER became a member in this organization. [REDACTED] [REDACTED] to place a lot of his members in the Government, particularly in the State Department. [REDACTED] that in his opinion a concerted effort was made at this time to install men who were screened by FINE or CARTER or other leaders of the IPR into the State Department. In 1942 the IPR moved Professor GEORGE K. TAYLOR from Seattle to New York City and then to the State Department or OSI. [REDACTED] advising that Immigration gave TAYLOR his American citizenship in three weeks. In 1943 IPR moved BEN H. KILPATRICK from Spokane, Washington, to Washington, D. C. and the State Department placed him in Chungking, China. [REDACTED] the following objections to the IPR: "The IPR holds its meetings and makes decisions in secret meetings where the public and regular members are excluded. The regular members have no vote on policy. Also, the people in industry affected by			
APPROVED AND FORWARDED:	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES	
COPIES OF THIS REPORT 3-Baltimore 2-Seattle		100-64700- NOT RECORDED 132 APR 24 1950 INITIALS ON ORIGINAL	

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
EXCEPT WHERE SHOWN  
OTHERWISE

58 MAY 2 1950

65-3038

their decisions are not counseled. Second, in my opinion, and this opinion is based on my experiences with the IPR and the results of their activities I have observed over the past years, I believe this organization has intentionally or unwittingly served the purposes of the Soviet Government in the Far East and particularly in China. I believe that this organization is more responsible than any other organization for the loss of China to the Communists. I believe the men who have been in control of the IPR have followed the Communist Party line fully in their activities. Third, I recommend to the Government that the IPR be fully investigated as it has been, in my opinion, a very influential organization in the operation of our State Department and Pacific Relations since 1940, and their activities have constantly been to the benefit of the Communists and the loss by others of considerable territory and influence to the Communists. I firmly believe this is a serious matter and of the utmost importance to our Government." [REDACTED] that he has met OWEN LATTIMORE and that he believes OWEN LATTIMORE is an intelligent enough man to know and understand what the policies of the IPR were and what they would result in. He believed that LATTIMORE was helping formulate the policy of the IPR.

- RUC -

**DETAILS:**

At Seattle, Washington

The following investigation was conducted by SA [REDACTED] and the writer:

[REDACTED] advised that the Institute of Pacific Relations originated in Honolulu, Hawaii, in 1919. It was organized to study international problems in the Pacific and was used at that time for the purpose of bringing Japanese to the United States for cheap labor.



65-7058

67d [REDACTED] an investigation by the House Investigations Committee on Immigration concerning the influx of Japanese into the West Coast. This investigation resulted in the passing of legislation which precluded orientals from securing citizenship and freely entering the United States. [REDACTED]

[REDACTED] the [REDACTED] at this time in the hands of western men [REDACTED] In 1936 [REDACTED] a meeting of the IPR in San Francisco. CARL LATTIMORE was present at this meeting but he was not a power in the IPR at this time. This meeting was attended by JESSUP and GEORGE VANDERBILT FIELD. They were attempting to establish Japanese rights in the salmon industry in the Northwest. [REDACTED]

[REDACTED] he was of the opinion that the group controlling the IPR was only an idealistic and liberal group. [REDACTED]

[REDACTED] going to place IPR members in the Government, particularly in the State Department. At this time, the IPR, [REDACTED] was under the control of FIELD and the bulk of the IPR membership followed the thinking of the leaders either unwittingly or intentionally. Also, at this time, [REDACTED] that it was his opinion that a concerted effort was made to install men in the State Department who had been screened by FIELD or CARTER or other leaders of the IPR.

[REDACTED] that GEORGE VANDERBILT FIELD started financing the IPR in 1934 and it was at this time that FIELD's group started controlling and operating the IPR. FIELD's group consisted of CARL L. ALDRICH, JOHN KIMBROUGH, F. C. CARTER and others. In 1942, the IPR moved Professor GEORGE H. RATTLO to New York City and then to either the State Department or the [REDACTED]

[REDACTED] RATTLO had been given his citizenship in a matter of three weeks rather than waiting the usual five years. He believed that this was also engineered by the IPR. In 1943, the IPR moved BEN H. KISTE from Spokane, Washington, to the State Department in Washington, D. C., and KISTE was assigned to Chungking, China. [REDACTED]

65-3358

b7d [REDACTED]

[REDACTED] that he had three observations to make concerning the IFR and these were as follows: (1) I object to the IFR because it holds its meetings and makes decisions in sub rosa meetings where the public and regular members are excluded. The regular members have no vote on policy. Also, the people in industry affected by their decisions are not counseled; (2) In my opinion, and this opinion is based on my experience with the IFR and the results of their activities I have observed over the past years, I believe this organization has intentionally or unwittingly served the purposes of the Soviet Government in the Far East and particularly in China. I believe that this one organization is more responsible than any other organization for the loss of China to the Communists. I believe the men who have been in control of the IFR have followed the Communist Party line fully in their activities; (3) I recommend to the Government that the IFR be fully investigated as it has been, in my opinion, a very influential organization in the operation of our State Department and Pacific Relations since 1945, and their activities have constantly been to the benefit of the Communists and the loss by others of considerable territory and influence to the Communists. I firmly believe this is a serious matter and of the utmost importance to our Government."

b7d [REDACTED] that he has met LATTIMORE on several occasions and that he believes LATTIMORE to be an intelligent enough man to know and understand what the policies of the IFR were and what they would result in. He stated that LATTIMORE was in a position in the IFR to help formulate the IFR policies.

[REDACTED] the names of the following individuals who were members of the IFR and who could give information concerning the IFR's activities, both nationally and particularly within the State of Washington:

b7c [REDACTED]

He advised that these men, because of their association with the IFR, must have also had some contact with LATTIMORE.

[REDACTED]

- REFERRED UPON COMPLETION TO THE OFFICE OF ORIGIN -

65-3058

REFERENCES: Bureau File 100-24628.

Baltimore teletype to Director and SACs New York, Seattle, and  
San Francisco dated April 2, 1950.

Bureau teletype to Seattle dated April 4, 1950.



# FEDERAL BUREAU OF INVESTIGATION

Form No. 1  
THIS CASE ORIGINATED AT **NEW YORK**

~~CONFIDENTIAL~~  
FILE NO. **65-3393**

REPORT MADE AT <b>CHICAGO, ILLINOIS</b>	DATE WHEN MADE <b>4/6/50</b>	PERIOD FOR WHICH MADE <b>4/6/50</b>	REPORT MADE BY <b>[REDACTED]</b>
TITLE <b>INSTITUTE OF PACIFIC RELATIONS</b>			CHARACTER OF CASE <b>ESPIONAGE - R</b>

**SYNOPSIS OF FACTS:**

**[REDACTED]**  
b1  
b7C  
1cc  
RW-4-11-50  
(2) 5/2/53  
Classified by [REDACTED]  
Declassify on: [REDACTED]

**DETAILS:**

**AT CHICAGO, ILLINOIS**

**[REDACTED]**  
b1  
b7C  
b1  
b7C  
b1  
b7C

APPROVED AND  
FORWARDED:

SPECIAL AGENT  
IN CHARGE

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- 3 - New York (AMSD)
- 2 - Chicago

**100-64700-127**

**APR 14 1950**

**RECORDED - 125**

**CONFIDENTIAL**

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- ☐ Information pertained only to a third party. Your name is listed in the title only.
- ☐ Document(s) originating with the following government agency(ies) \_\_\_\_\_, was/were forwarded to them for direct response to you.

\_\_\_\_\_ Page(s) referred for consultation to the following government agency(ies); \_\_\_\_\_ as the information originated with them. You will be advised of availability upon return of the material to the FBI.

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Assistant Attorney General ~~James M. McInerney~~  
Criminal Division

April 10, 1950

Director, FBI

~~CONFIDENTIAL~~

INSTITUTE OF PACIFIC RELATIONS  
ESPIONAGE - R

RECORDED - 125

100 - 64700 - 127

3/17/83  
Classified by SP6 DFC/CLJ  
Declassify on: OADR

Reference is made to my memorandum to you dated April 5, 1950, in which you were advised that additional reports in this matter would be made available to you.

Your attention is directed to my confidential memorandum to the Attorney General dated March 31, 1950, re "Owen Lattimore, Espionage - R," in which he was advised that a former Russian diplomatic officer, who had defected from the Soviets in 1937, [REDACTED]

b7c

[REDACTED] The former Russian diplomatic officer stated that he had been furnished information by General Bersin, Chief of Soviet Military Intelligence in 1935, that Russian Intelligence had a network in China, which usually consisted of foreigners, which was called the Institute of Pacific Relations. The former Russian diplomat also advised that in December, 1937, he was told by the late General Walter Krivitsky, who was then a high official of Soviet Military Intelligence in Western Europe, that Soviet Military Intelligence had an organization in the United States working successfully and "going strong" as a cover and that this was the Institute of Pacific Relations.

The foregoing data were contained in the report of Special Agent [REDACTED] dated at New York, New York, April 4, 1950, in the case entitled "Owen Lattimore, Espionage - R," a copy of which was forwarded to you on April 6, 1950. [REDACTED]

b7c

b1

For your information, one copy of the following reports in the case entitled "Institute of Pacific Relations, Espionage - R," is furnished herewith:

Attachment

MAILED 4  
APR 11 1950  
COMM - FBI

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED EXCEPT WHERE SHOWN OTHERWISE

REC'D - VED-TOHSON  
FBI  
APR 11 9 22 AM '50  
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APR 11 1950  
U.S. DEPT. OF JUSTICE

b7c  
51 MAY 1 1950  
RECEIVED TOHSON

~~CONFIDENTIAL~~



~~CONFIDENTIAL~~

Report of Special Agent [REDACTED] dated at Albany, April 6, 1950. 67C

Report of Special Agent [REDACTED] dated at Chicago, Illinois, April 6, 1950.

Report of Special Agent [REDACTED] dated at Washington, D. C., April 7, 1950.

As additional reports are received, they will be forwarded.

~~CONFIDENTIAL~~

*Handwritten:* 100-64700-128

**Office Memorandum • UNITED STATES GOVERNMENT**

*Handwritten:* 100-64700-128

TO : Director, FBI

DATE: April 6, 1950

FROM : SAC, Albany

SUBJECT: INSTITUTE OF PACIFIC RELATIONS  
ESPIONAGE - R

Re telephone conversation of Inspector [redacted] with  
ASAC FRANK V. BATTLE, 4/6/50.

Enclosed are five copies of the report of SA [redacted]  
dated 4/6/50, prepared in accordance with the  
request made in referenced telephone conversation.

Encl. - 5

cc. - NYC (Encl.-3)

65-1636

**ALL INFORMATION CONTAINED  
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DATE 3/17/83 BY SP6 BJS**

RECORDED - 53

APR 14 1950

EX - 57

EX - 57

# FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT **NEW YORK CITY**

AL FILE NO. **65-1636 72**

REPORT MADE AT <b>ALBANY, NEW YORK</b>	DATE WHEN MADE <b>4/6/50</b>	PERIOD FOR WHICH MADE <b>8/4, 5, 9/1/49; 4/6/50</b>	REPORT MADE BY <b>[REDACTED] b7c</b>
TITLE <b>INSTITUTE OF PACIFIC RELATIONS</b>			CHARACTER OF CASE <b>ESPIONAGE - R</b>

**SYNOPSIS OF FACTS:**

*1cc Mrs. [REDACTED]  
2/28 4-10-50  
b7c*

*1cc [REDACTED] 4/16/49  
4-5-57  
b7c*

**[REDACTED]**

**ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3/17/83 BY SP8 BJA/C/S**

*1cc [REDACTED] 4/15/51  
b7c*

**ENCLOSURE**

**RECEIVED - RECORDING**

APPROVED AND FORWARDED: <i>R. W. Wall</i>	SPECIAL AGENT IN CHARGE <i>[Signature]</i>	DO NOT WRITE IN THESE SPACES	
COPIES OF THIS REPORT <b>COPIES DESTROYED 11/10/58 R383</b> 5 - Bureau (AMSD) 3 - New York 2 - Albany		<b>100-64700-128</b> <b>APR 14 1950</b>	RECORDED - 53 INDEXED - 53



XXXXXX  
XXXXXX  
XXXXXXFEDERAL BUREAU OF INVESTIGATION  
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- ☐ Information pertained only to a third party. Your name is listed in the title only.
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\_\_\_\_\_  
\_\_\_\_\_

☐ For your information: \_\_\_\_\_  
\_\_\_\_\_

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100-64700-128 enclose pages 2-7

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RECORDED - 125

100-64700-128

SAC, Seattle  
Director, FBI

May 1, 1950

INSTITUTE OF PACIFIC RELATIONS  
ESPIONAGE - R

b7d

[REDACTED]

[REDACTED]

[REDACTED]

cc: New York

b7c

[REDACTED]

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3/17/83 BY SP6 Bja/CS

6 DEPT. OF JUSTICE  
FBI  
RECEIVED-RTIF BU

MAY 1 4 52 PM '50

*[Handwritten signature]*

*[Handwritten signature]*

*[Handwritten signature]*

MAY 5 1950

MAILED 17  
MAY 1 1950  
COMM - FBI

APRIL 6, 1950 - URGENT

SAC NEW YORK

① INSTITUTE OF PACIFIC RELATIONS, ESPIONAGE - R. REBUTEL THIS DATE. IMPERATIVE THAT COMPLETE INVESTIGATION BE MADE OF FINANCES OF SUBJECT ORGANIZATION AS WELL AS AMERICAN COUNCIL AND PACIFIC COUNCIL. TRACE RECEIPTS AND DISBURSEMENTS FROM INCEPTION OF ORGANIZATIONS MENTIONED.

HOOVER

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3/7/83 BY SP6 BJA/AS

RECORDED - 20

100-64700-129

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11/10/58 R36

APR 12 1950

FEDERAL BUREAU OF INVESTIGATION  
U.S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION

APR 6 1950

TELETYPE

APR 17 1950

APR 6 5 18 PM '50  
RECEIVED READING ROOM  
F.B.I.  
U.S. DEPT. OF JUSTICE



## Office Memorandum • UNITED STATES GOVERNMENT

TO : The Director, Federal Bureau of Investigation DATE: April 4, 1950

FROM : James M. McInerney, Assistant Attorney General, b7C

SUBJECT: ② Criminal Division  
INSTITUTE OF PACIFIC RELATIONS.

146-7-53

Mr. Tolson	
Mr. E. A. Tamm	
Mr. Clegg	
Mr. Glavin	
Mr. Nichols	
Mr. Rosen	
Mr. Tracy	
Mr. Harbo	
Mr. Belmont	
Mr. Mohr	
Tele. Room	
Mr. Nease	
Miss Gandy	

The Division is at the present time preparing a summary of all of the information which has been received regarding the Institute of Pacific Relations. In the course of preparing this summary of the organization, its officers, sources of funds and extent of infiltration by Communists, it becomes important to be assured that the Division has available to it all reports relating to this organization. Accordingly, I am setting forth herein the list of all reports and memoranda in the files of the Division of Records entitled as above:

b7C

Report of Special Agent [REDACTED]  
Los Angeles, dated April 13, 1942.

Memorandum to Assistant Attorney General Clark,  
dated December 20, 1943.

Report of Special Agent [REDACTED]  
New York, dated June 2, 1944.

Report of Special Agent [REDACTED]  
dated November 4, 1944, at New York.

Memorandum to the Attorney General, dated  
September 11, 1945.

Report of Special Agent [REDACTED]  
New York, dated January 2, 1947.

Report of Special Agent [REDACTED] Los  
Angeles, dated June 13, 1947.

Report of Special Agent [REDACTED] Los  
Angeles, dated October 3, 1947.

Memorandum to the Attorney General, dated  
November 3, 1948.

Memorandum to Assistant Attorney General Campbell,  
dated May 20, 1949, with enclosure.

Report of Special Agent [REDACTED] New York  
dated July 22, 1949.

RECORDED - 50

APR 13 1950

EX-115

b7C

7/2/50 to AAG James M. McInerney  
4/6/50  
b7C [REDACTED] b7C

100-64700-13

It will be appreciated if you will furnish to the Division at the earliest possible time any data additional to that set forth above regarding the Institute of Pacific Relations. It is further requested that if you have prepared a summary report on this organization or if you are in the process of preparing such a report, you will advise me and furnish me with a copy of such a report when and if it has been prepared.

In view of the frequency with which this organization has been mentioned in recent hearings before the Subcommittee of the Senate Committee on Foreign Affairs, I will appreciate it if you will treat this as a matter of the highest urgency.



1950

TO:

✓ Director

Mr. Belmont

b7C

Mr. Tolson  
Mr. Clegg  
Mr. Glavin  
Mr. Harbo  
Mr. Nichols  
Mr. Rosen  
Mr. Tracy  
Mr. Q. Tamm  
Mr. Mohr  
Miss Gandy  
Mr. Nease

Mr. Tolson  
Mr. Ladd  
Mr. Clegg  
Mr. Glavin  
Mr. Nichols  
Mr. Rosen  
Mr. Tracy  
Mr. Harbo  
Mr. Belmont  
Mr. Mohr  
Tele. Room  
Mr. Nease  
Gandy

Foreign Service Desk

Mr.

Mr.

Mr.

Mr.

Mrs.

Miss

Mrs.

See Me

Call Me

Appropriate action

Note & return

Send file

Bring note-date

Re-call

Please initial & return

Place on record & return

Place on record

Per conversation

Advise status

Chief Clerk's Off.

Records Section

Personnel Files

Mechanical Sec

Ident. Division

Technical Lab

Reading Room

D. M. Ladd - Rm. 5736  
Telephone Ext. 555



Assistant Attorney General James M. McInerney  
Criminal Division

April 6, 1950

Director, FBI

INSTITUTE OF PACIFIC RELATIONS

100-64700-130

DECLASSIFIED BY SP6 Bja/ks  
ON 3-17-83

Reference is made to your memorandum dated April 4, 1950. The reports and memoranda which you listed reflect correctly those items furnished to the Division of Records under the caption, Institute of Pacific Relations.

For your information, a confidential source has recently made accessible a voluminous amount of correspondence of the captioned organization and various of its officers which is now being reviewed. You will be furnished with a copy of the report covering such review promptly upon its receipt at the Seat of Government. Likewise, copies of any other reports relating to this organization will be furnished to you promptly. You may be assured that this is being treated as a matter of the highest urgency.

G.I.R.-4

57C

U.S. DEPT. OF JUSTICE

FBI

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FBI

APR 6 4 08 PM '50  
RECEIVED READING ROOM  
FBI

APR 6 4 28 PM '50  
U.S. DEPT. OF JUSTICE  
RECEIVED DIRECTOR

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Nichols \_\_\_\_\_  
Rosen \_\_\_\_\_  
Tracy \_\_\_\_\_  
Harbo \_\_\_\_\_  
Mohr \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Nease \_\_\_\_\_  
Gandy \_\_\_\_\_

APR 29 1950

MAILED 16  
APR 6 1950  
COMM - FBI

# F.B.I. TELETYPE

~~CONFIDENTIAL~~

Tolson \_\_\_\_\_  
 Ladd \_\_\_\_\_  
 Nichols \_\_\_\_\_  
 Rosen \_\_\_\_\_  
 Tracy \_\_\_\_\_  
 Harbo \_\_\_\_\_  
 Mohr \_\_\_\_\_  
 Tele. Room \_\_\_\_\_  
 Nease \_\_\_\_\_  
 Gandy \_\_\_\_\_

ALL INFORMATION CONTAINED  
 HEREIN IS UNCLASSIFIED EXCEPT  
 WHERE SHOWN OTHERWISE.

ALL INFORMATION CONTAINED  
 HEREIN IS UNCLASSIFIED  
 DATE 12-13-83 BY [redacted]

DIRECTOR AND SAC

URGENT

ALSO FOR HONOLULU.....

Classified by 2045/NO  
 Declassify on: OADR

INSTITUTE OF PACIFIC RELATIONS: ESP - R

[redacted]

THE BUREAU IS REQUESTED TO ADVISE SAN FRANCISCO, HONOLULU AND THIS OFFICE OF SPECIFIC INFORMATION DESIRED IN CONNECTION WITH THESE BANK ACCOUNTS. INASMUCH AS THE RECORDS OF THESE BANK ACCOUNTS GO BACK ONLY TO 1934, THE SAN FRANCISCO OFFICE IS REQUESTED TO ATTEMPT TO LOCATE BANK ACCOUNT OF SUBJECT ORGANIZATION, THE AMERICAN COUNCIL AND THE PACIFIC COUNCIL, AT [redacted]

AND THE HONOLULU OFFICE IS REQUESTED TO ATTEMPT TO LOCATE BANK ACCOUNT OF THE ABOVE MENTIONED ORGANIZATIONS AT [redacted]

FOR THE PERIODS FROM 1927 TO 1934, AND CONDUCT THE DESIRED INVESTIGATION REQUESTED BY THE BUREAU UPON RECEIPT OF THE SPECIFIC INFORMATION REQUESTED OF THE BUREAU BY THIS TELETYPE.

RECORDED - 50

SCHEIDT

100-44700-131

CTI-X3

b7c

FEDERAL BUREAU OF INVESTIGATION  
UNITED STATES DEPARTMENT OF JUSTICE

CC-150

To: COMMUNICATIONS SECTION

URGENT

Transmit the following message to: SAC, NEW YORK,  
SAN FRANCISCO,  
HONOLULU,  
SEATTLE,  
WASHINGTON FIELD

~~CONFIDENTIAL~~

RECORDED - 50

100-64700-131

INSTITUTE OF PACIFIC RELATIONS, ESPIONAGE - R.

YOU ARE INSTRUCTED TO DETERMINE AVAILABLE INFORMATION CONCERNING RECEIPTS AND DISBURSEMENTS OF SUBJECT ORGANIZATION AND COUNCILS MENTIONED IN REFERENCED TELETYPE WITH PARTICULAR ATTENTION PAID TO RECEIPTS FROM FOREIGN SOURCES. HONOLULU SHOULD CHECK BANK RECORDS FROM NINETEEN TWENTY FIVE WHICH IS DATE SUBJECT ORGANIZATION STARTED. PURPOSE OF INVESTIGATION IS TO DETERMINE WHETHER SUBJECT ORGANIZATION HAS BEEN USED AS COVER FOR SOVIET MILITARY INTELLIGENCE, OR HAS OPERATED IN VIOLATION OF THE FOREIGN AGENTS REGISTRATION ACT. EACH AUXILIARY OFFICE SHOULD CHECK ALL AVAILABLE SOURCES OF INFORMATION TO DETERMINE IDENTITIES OF OFFICERS AND LOCATION OF OFFICES OF THE IPR DURING PERIOD SUCH OFFICES WERE OPEN IN THEIR AREA. NEW YORK SHOULD OBTAIN AND FURNISH TO BUREAU ALL COPIES OF REGULAR PERIODICALS OF SUBJECT ORGANIZATION NOT PREVIOUSLY FURNISHED BUREAU.

HOOVER

cc - Washington Field (By Special Messenger)

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED EXCEPT  
WHERE SHOWN OTHERWISE.

Mr. Tolson  
Mr. Clegg  
Mr. Glavin  
Mr. Ladd  
Mr. Nichols  
Mr. Rosen  
Mr. Tracy  
Mr. Egan  
Mr. Gurnea  
Mr. Harbo  
Mr. Mohr  
Mr. Pennington  
Mr. Quinn Tamm  
Tele. Room  
Mr. Nease  
Miss Gandy

5/10/83  
Classified by SP5/SH/15  
Declassify on: OADR

12064 ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3/12/83 BY SP5/SH/15

SENT VIA

Per

~~CONFIDENTIAL~~



**Federal Bureau of Investigation  
United States Department of Justice**

Mr. Tolson	_____
Mr. Ladd	_____
Mr. Clegg	_____
Mr. Glavin	_____
Mr. Nichols	_____
Mr. Rosen	_____
Mr. Tracy	_____
Mr. Harbo	_____
Mr. Belmont	_____
Mr. Mohr	_____
Tele. Room	_____
Mr. Nease	_____
Miss Gandy	_____

New York, N. Y.  
April 6, 1950.

DECLASSIFIED BY SP6 BJA/US  
ON 3-17-83

Director, FBI.

b7C

RE: INSTITUTE OF PACIFIC RELATIONS,  
ESPIONAGE - R.

Dear Sir:

b7C

Reurtel April 5 last, captioned, "OWEN LATTIMORE ESPIONAGE-R," concerning individuals who have been determined to be of importance in this case.

A review of the documents furnished by [redacted] reflects a total of approximately 2500 individuals mentioned therein. This office has attempted to determine who the most important individuals are from their activities as reflected in these documents. These are set out as follows:

HILDA AUSTERN - Member IPR Secretariat, 1941  
T. A. BISSON - Member, Editorial Board, Amerasia, 125 E. 52nd Street  
E. E. CARTER - General Secretary, IPR  
LAUCHLIN CURRIE, Executive Office of the President, Washington, D.C.  
ELSIE FAIRFAX-CHOLMELEY, Chinese Industrial Co-operatives, 1941  
Contributor to IPR publications  
FREDERICK V. FIELD, IPR and Amerasia  
ANDREW J. GRAJDANZEV - Member Secretariat IPR, 1941, 662 Lexington Avenue  
MICHAEL GREENBERG, Member of Secretariat IPR, 1941 (subject in SILVERMASTER CASE)  
WILLIAM H. HOLLAND - Research Expert, IPR  
PHILIP J. JAFFE - Managing Editor, Amerasia  
PHILLIP C. JESSUP - Chairman, IPR  
BENJAMIN H. KIZER, Vice Chairman, IPR  
WILLIAM W. LOCKWOOD, Secretary, IPR, 1943  
KATE L. MITCHELL, Secretary, Amerasia and IPR  
HARRIET L. MOORE, ARI  
HARRY B. PRICE, China Defense Supplies, Inc., Washington  
ANDREW ROTH - U. S. Navy, Washington

DECLASSIFIED BY SP6 BJA/US  
ON 11/2/83  
COPIES DESTROYED 11/2/83



cc: Bureau Files  
N. Y. Files

RECORDED - 34  
INDEXED - 34

100-64700-132

APR 7 1950

3

51 MAY 19 1950

b7C

EX - 8

UNRECORDED COPIES FILED IN

Filed in [redacted] Case Files

Letter to Director  
100-17808

EDGAR SNOW - Washington, D. C.  
GEORGE E. TAYLOR - Central Intelligence & Planning Board,  
OWI, Washington.  
ADMIRAL HARRY E. YARNELL, USN, Retired, Washington, D. C.

62  
Concerning these individuals, this office has started a check of references contained in our files and on all individuals in which New York is office of origin, the Bureau will be furnished individual reports including the results of the reference checks plus his activities as set out in the review of the documents furnished by [REDACTED]

In instances where it is found that another office is or has been office of origin in the case involving any of these individuals that office will be forwarded the results of a check of the references contained in the New York Office and the documents furnished by [REDACTED]. It will be the responsibility of that office to correlate the information contained in its files with the information contained in the documents. Expedient attention is being given to this matter and the Bureau will be kept advised of developments.

Very truly yours,

*Edward Scheidt*  
EDWARD SCHEIDT,  
SAC.

FEDERAL BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
COMMUNICATIONS SECTION

Mr. Tolson	_____
Mr. Ladd	_____
Mr. Clegg	_____
Mr. Glavin	_____
Mr. Nichols	_____
Mr. Rosen	_____
Mr. Tracy	_____
Mr. Harbo	_____
Mr. Belmont	_____
Mr. Mohr	_____
Tele. Room	_____
Mr. Nease	_____
Miss Gandy	_____

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3/10/83 BY SP6 BJC/US TELETYPE

WASHINGTON 66 FROM NEW YORK 10 11-02 P  
DIRECTOR URGENT

INSTITUTE OF PACIFIC RELATIONS, IS-C. ALFRED KOHLBERG TODAY ADVISED  
THAT HE IS GOING TO APPEAR AT WASHINGTON, D.C. APRIL TWELVE NEXT AND  
UPON HIS RETURN TO NYC WILL CONTACT THE NYO TO MAKE AVAILABLE HIS  
RECORDS PERTAINING TO SUBJECT ORGANIZATION. BEH

HLD PLS.

*memo to Mr. Ladd  
4-11-50  
LW*

RECORDED - 132

SCHEIDT

100-64700-133  
APR 14 1950

cc: Mr. [REDACTED]

b7c



b7C

Assistant Attorney General  
James M. McInerney, Criminal Division  
Director, FBI

April 11, 1950

INSTITUTE OF PACIFIC RELATIONS  
ESPIONAGE - R

DECLASSIFIED BY *SP8/pk*  
ON 3-17-80

RECORDED - 132

100-64700-133

On April 10, 1950, Alfred Kohlberg advised the New York Office of this Bureau that he is going to appear at Washington, D. C. on April 12 and that upon his return to New York he will contact the New York Office of this Bureau to make available his records pertaining to the Institute of Pacific Relations.

Upon receipt of further details concerning this matter, you will be advised promptly.

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE \_\_\_\_\_ BY \_\_\_\_\_

CLUB

b7C

MAILED 11  
APR 11 1950  
COMM - FBI

56 APR 20 1950

RECEIVED  
APR 11 1950

RECEIVED  
APR 11 1950  
*[Handwritten signatures and initials]*

Mr. [REDACTED]

The Attorney General

April 12, 1950

Director, FBI

INSTITUTE OF PACIFIC RELATIONS  
ESPIONAGE - R

DECLASSIFIED BY SP3BAC/ks  
ON 3-17-83 atb

b7C  
From time to time, I have been submitting to the Department copies of reports dealing with the activities of the Institute of Pacific Relations. Under date of April 10, 1950, there was transmitted to Assistant Attorney General James M. McInerney, Criminal Division, a copy of the report of Special Agent [REDACTED] dated at Washington, D. C., April 7, 1950.

b7C  
I wish to call to your attention the possibility that the Institute of Pacific Relations may have been acting on behalf of a foreign power, namely the Union of Soviet Socialist Republics. Your attention is directed to the statements by Freda Utley as set forth on pages 3 to 6 of Special Agent [REDACTED] report.

You will note that Miss Utley recounts that in the spring of 1935, Owen Lattimore, Edward G. Carter, and Harriet Moore, leading American figures in the Institute of Pacific Relations, came to Moscow. Miss Utley stated that she was of the definite opinion that the Institute of Pacific Relations was governed by the policies of the Soviet Union and that the aforementioned American delegates had come to Moscow to receive their orders on policy from the organization.

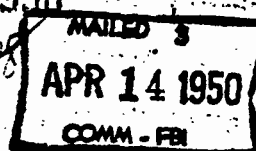
b7D  
With further reference to my letter to Assistant Attorney General James M. McInerney, dated April 10, 1950, it will be noted that I pointed out therein that [REDACTED]

In the light of the foregoing information, as contained in reports which have been furnished to the Department, I wish to consider the subpoenaing of the officers and the records of the Institute of Pacific Relations before a Grand Jury to see whether a violation of Federal law has occurred.

cc - Assistant Attorney General James M. McInerney  
Criminal Division

Tolson \_\_\_\_\_  
Ladd \_\_\_\_\_  
Clegg \_\_\_\_\_  
Glavin \_\_\_\_\_  
Nichols \_\_\_\_\_  
Tracy \_\_\_\_\_  
Harbo \_\_\_\_\_  
Mohr \_\_\_\_\_  
Tele. Room \_\_\_\_\_  
Nease \_\_\_\_\_  
Gandy \_\_\_\_\_

57 APR 21 1950



RECORDED - 48

APR 18 1950

100-64700-134



Federal Bureau of Investigation  
 United States Department of Justice  
 422 - Federal Office Building  
 Civic Center, San Francisco, California  
 April 7, 1950



IN REPLY, PLEASE REFER TO  
 FILE NO. 100-24679

DECLASSIFIED BY SP6Bja/ck  
 ON 3-17-83

103102

Director, FBI

RE: <sup>0</sup> INSTITUTE OF PACIFIC RELATIONS  
ESPIONAGE-R

Dear Sir:

Reference report of SA [REDACTED] dated April 7, 1950 at  
 San Francisco.

b7C

b7D

[REDACTED]

REFERRED

ENCLOSURE ATTACHED The above is being furnished as a matter of information to the Bureau.

Mem to Mr. Tammery with encl.  
 4-11-50 LK

b7C

100-24679  
 Encl.

Very truly yours,

*Harry M. Kimball*  
 HARRY M. KIMBALL  
 Special Agent in Charge

*This memorandum  
 being included verbatim  
 in San Francisco report  
 dated 4-7-50, per TWX-SF  
 47-50. LW.*

RECORDED  
 INDEXED

100-64700-135  
 APR 19 1950  
 5-KW

MAY 1 1950



XXXXXX  
XXXXXX  
XXXXXXFEDERAL BUREAU OF INVESTIGATION  
FOIPA DELETED PAGE INFORMATION SHEET

7 Page(s) withheld entirely at this location in the file. One or more of the following statements, where indicated, explain this deletion.

- ☒ Deleted under exemption(s) b7d with no segregable material available for release to you.
- ☐ Information pertained only to a third party with no reference to you or the subject of your request.
- ☐ Information pertained only to a third party. Your name is listed in the title only.
- ☐ Document(s) originating with the following government agency(ies) \_\_\_\_\_, was/were forwarded to them for direct response to you.

\_\_\_\_\_ Page(s) referred for consultation to the following government agency(ies); \_\_\_\_\_ as the information originated with them. You will be advised of availability upon return of the material to the FBI.

\_\_\_\_\_ Page(s) withheld for the following reason(s):  
\_\_\_\_\_  
\_\_\_\_\_

☐ For your information: \_\_\_\_\_  
\_\_\_\_\_

- ☒ The following number is to be used for reference regarding these pages:

100-64700-135 enclosure

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 XXXXXXXXXXXXXXXXXXXX  
 X DELETED PAGE(S) X  
 X NO DUPLICATION FEE X  
 X FOR THIS PAGE X  
 XXXXXXXXXXXXXXXXXXXX

Assistant Attorney General James M. McInerney  
Criminal Division  
Director, FBI

April 11, 1950

DECLASSIFIED BY SP6Bja/CS  
ON 3-17-83

INSTITUTE OF PACIFIC RELATIONS  
ESPIONAGE - R

108101

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100-64700-135

RECORDED - 27  
b7d

[REDACTED]

[REDACTED]

[REDACTED]

REFERRED

Attachment

b7C

[REDACTED]

APR 12 4 37 PM '50  
F B I  
U. S. DEPT. OF JUSTICE

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3-17-83 BY SP6Bja/CS

APR 12 2 55 PM '50  
F B I  
U. S. DEPT. OF JUSTICE

APR 12 1950  
COMM-FBI

APR 15 8 53 AM '50  
U. S. DEPT. OF JUSTICE  
F B I  
RECEIVED-TOO

MAY 1 1950

## Office Memorandum • UNITED STATES GOVERNMENT

TO : The Director

DATE: April 12, 1950

FROM : D. M. Ladd

SUBJECT: INSTITUTE OF PACIFIC RELATIONS  
ESPIONAGE - R

108100

108100

Tolson ☒

Ladd ☒

Clegg ☒

Glavin ☒

Nichols ☒

Tracy ☒

Harbo ☒

Mohr ☒

Tele. Room ☒

Nease ☒

Gandy ☒

Attached for your approval is a memorandum to the Attorney General with copies to Assistant Attorney General James M. McInerney, Criminal Division, calling to the Attorney General's attention the allegations by Miss Freda Utley that officials of the Institute of Pacific Relations were in Moscow in 1936 and that in her opinion, they had come to Moscow to receive their orders on policy for the I.P.R.

Reference is also made to the allegations by Alexander [redacted] in the 1930's that the Institute of Pacific Relations was being used as a cover for Soviet military intelligence.

These allegations have been brought to the attention of the Department in the instant case. The attached letter suggests the Attorney General might wish to consider the subpoenaing of the officers and records of the Institute before a Grand Jury to see whether a violation of the Federal law has occurred.

Attachment

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3/10/83 BY SP8BQ/CL

RECORDED - 27

INDEXED - 27

100-64700-136  
APR 13 4 15 PM 1950  
U.S. DEPT. OF JUSTICE  
RECEIVED - DIRECTOR

53 MAY 1 1950



BUREAU OF INVESTIGATION  
UNITED STATES DEPARTMENT OF JUSTICE

CC-150

To: COMMUNICATIONS SECTION.

URGENT

4/17/50

Transmit the following message to:

SAC, NEW YORK

108000

INSTITUTE OF PACIFIC RELATIONS, ESP-R. NEW YORK SUTEL INFORMATION  
CONCERNING INCORPORATION OF AMERICAN INSTITUTE OF PACIFIC RELATIONS,  
INC. THIS NAME SUBSTITUTED IN WASTHEAD OF FAR EASTERN SURVEY, MARCH,  
NINETEEN FORTYSEVEN, FOR AMERICAN COUNCIL, INSTITUTE OF PACIFIC RELATIONS.  
FOR AND AMSD CURRENT CONSTITUTIONS OF AMERICAN INSTITUTE AND OF INSTITUTE  
OF PACIFIC RELATIONS. NEW YORK SHOULD ADVISE AUXILIARY OFFICES TO  
FURNISH COPIES OF REPORTS ON IPR FOR INFORMATION TO BALTIMORE WHICH IS  
OFFICE OF ORIGIN IN LATTIMORE CASE.

HOOVER

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3/17/83 BY SP8 BJC/CB

cc - Baltimore (regular mail)

b7C

RECORDED - 27

100-64700-137

APR 18 1950

COPIES DESTROYED 10/14/58 #383

Mr. Tolson  
Mr. Clegg  
Mr. Glavin  
Mr. Ladd  
Mr. Nichols  
Mr. Rosen  
Mr. Tracy  
Mr. Egan  
Mr. Gurnea  
Mr. Harbo  
Mr. Mohr  
Mr. Pennington  
Mr. Quinn Tamm  
Tele. Room  
Mr. Nease  
Miss Gandy

COMMUNICATIONS SECTION

APR 17 1950

TELETYPE

RECEIVED READING ROOM  
FBI  
U.S. DEPT. OF JUSTICE

APR 17 2 17 PM '50

53 MAY 1 1950

SENT VIA

Per

# F.B.I. TELETYPE

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED EXCEPT  
WHERE SHOWN OTHERWISE.

CLASS.   
 REASON   
 DATE OF

SP-5 RJC/LAO 10/3/79

1982

Gavin \_\_\_\_\_  
 Kimo \_\_\_\_\_  
 Roman \_\_\_\_\_  
 Tracy \_\_\_\_\_  
 Barto \_\_\_\_\_  
 Mair \_\_\_\_\_  
 Tals. Room \_\_\_\_\_  
 Neasa \_\_\_\_\_

WASHINGTON 5, WASHINGTON FIELD, NEW YORK 2 AND BALTIMORE 1  
FROM BOSTON (u) [REDACTED] 176

**DIRECTOR, ATTENTION MR. BELMONT, SACS URGENT**

**INSTITUTE OF PACIFIC RELATIONS, IS - C.**

HAD ADVISED THAT CERTAIN FILES OF THE INSTANT ORGANIZATION, COVERING SOME OF ITS ACTIVITIES BETWEEN THIRTYONE AND MID FORTYFOUR, REFLECT THAT THE IPR, UNDER THE DIRECTION OF ITS INTERNATIONAL SECRETARY GENERAL, EDWARD C. CARTER, WAS ENGAGED IN THE BUSINESS OF SECURING AND DISSEMINATING INFO CONCERNING SOCIAL, ECONOMIC AND POLITICAL SITUATIONS IN NATIONS HAVING BORDERS ON THE PACIFIC. CARTER, ACCORDING TO THE INFORMANT, WAS A PERSON WITH WIDESPREAD CONTACTS IN HIGH PLACES AT WASHINGTON, DC, MOSCOW, USSR, TOKIO, JAPAN AND IN THE VARIOUS CAPITALS OF CHINA. INFORMANT STATES TWO GOVERNMENTS WERE OUTSTANDING AND CONTINUING CONTRIBUTORS TO THE IPR DURING THE THIRTIES, THE GOVERNMENTS OF THE USSR AND JAPAN. ACTIVELY ASSOCIATED WITH CARTER IN THE WORK OF THE IPR, AND FROM THE FILES, ACCORDING TO INFORMANT, ADMITTEDLY OF PRO-COMMUNIST QUOTE BIAS UNQUOTE WERE THE FOLLOWING PERSONS

FREDERICK VANDERBILT FIELDS,  
JOSEPH BARNES, KATHY BARNES, OWEN LATTIMORE, PHILIP JAFFE,  
KATE MITCHELL, ANDREW ROTH, THOMAS ARTHUR BISSON, WILLIAM  
LOCKWOOD, BEN KIZER AND HARRIET MOORE, ALGER HISS, MILDRED  
PRICE AND AGNES SMEDLY WERE ALSO AFFILIATED WITH AT LEAST  
CARTER AND LATTIMORE IN THE WORK OF THE ORGANIZATION. A LETTER  
IS FOLLOWING. OFFICES RECEIVING COPIES OF THIS LETTER ARE  
ADVISED THAT THE NY DIVISION HAS BEEN FURNISHED FOUR THOUSAND  
NEGATIVES FOR DEVELOPMENT AND PRINTING, CONTAINING EXTENSIVE  
INFO CONCERNING THE ACTIVITIES OF THE SUBJECT ORGANIZATION AND  
THE PERSONS NAMED HEREIN. (u) 100-64700-4386

**RECORDED**

OF THE SUBJECT ORGANIZATION AND  
100-64700-6386/mr. Belmont

(c) <sup>b1</sup> [REDACTED] (c)



ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 3/2/83 BY SP5 RJE/ML

SAC, New York

4-15-50

DIRECTOR, FBI

PERSONAL ATTENTION

INSTITUTE OF PACIFIC RELATIONS  
ESPIONAGE - R  
(Bureau: 100-64700)

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 4-31-77 BY SP5 RJE/ML

OWEN LATTIMORE  
ESPIONAGE - R  
(Bureau: [redacted])

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 4-31-77 BY SP5 RJE/ML

For your information, Alfred Kohlberg, who has been contacted by New York Division Agents for information in connection with the Loyalty investigation on Ambassador at Large Philip C. Jessup and also in connection with the cases involving Owen Lattimore and the Institute of Pacific Relations, was interviewed at the Bureau on April 13, 1950, pursuant to his request.

There are attached hereto copies of two memoranda both dated April 13, 1950, and captioned "Alfred Kohlberg" and as above respectively.

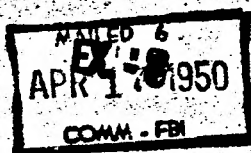
You will note that Mr. Kohlberg advised that if he were so directed, he would retain in confidence any contact by the FBI in this and other matters and would refrain from making any comment to the press. He was informed that the FBI would not undertake, in any respect, to muzzle him or restrict his activities; that he could say what he wanted to the press and he could follow any line of activity that he desired; and, that we were merely pointing out to him that the FBI does not issue public statements during investigation and that such statements can be harmful to an investigation. Mr. Kohlberg then volunteered that he would not make any further statements to the press, in so far as the FBI was concerned, unless he felt it necessary, in which case he would consult in advance with the New York office. Mr. Kohlberg was immediately advised again that the FBI in no way sought to control his activities or any statements he wanted to make to the press and that if he felt this was a desirable procedure, it was up to him. It was again reiterated to him that the FBI would not pass on or restrict any statements he desired to make, unless his statements were false and it became necessary to refute them publicly.

Your attention is called to this, inasmuch as Mr. Kohlberg may contact the New York Office in an effort to have you render an opinion concerning some statement he may desire to make to the press. In such event, of course, you should not authorize or pass on any statement by Kohlberg, but you might desire to reiterate the Bureau's comments to him, as contained in the above paragraph.

Tolson  
Ladd  
Clegg  
Glavin  
Nichols  
Rosen  
Tracy  
Harbo  
Mohr  
Tele. Room  
Nease  
Gandy

Attachments

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100-64700  
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1  
You will note that Mr. Kohlberg is returning to New York City on April 14, 1950, and that he was advised that Agents of the New York Office would contact him upon his return. Agents [redacted] and [redacted] who are handling this assignment, should be fully briefed concerning the Institute of Pacific Relations and the various ramifications thereof in order that they can intelligently review the files of Kohlberg and can intelligently receive the verbal information he desires to give.

In order to avoid any basis for complaint by Mr. Kohlberg, it is also desired that the same two Agents handle interviews with him concerning any other matters such as interviews in Loyalty cases, etc.

This letter confirms the telephonic conversation between ASAC Whelan of the New York Office and Mr. Belmont on April 14, 1950. The information contained in the attached memoranda should be utilized in connection with your investigation in the captioned matters.

(ASAC WHELAN was briefed on this matter telephonically on April 14, 1950, inasmuch as Kohlberg was returning to NY on April 14.)

280A  
Bureau of Investigation

United States Department of Justice  
307 United States Court House  
301ey Square  
New York 7, New York

Mr. Tolson	_____
Mr. Ladd	_____
Mr. Clegg	_____
Mr. Glavin	_____
Mr. Nichols	_____
Mr. Rosen	_____
Mr. Tracy	_____
Mr. Harbo	_____
Mr. Belmont	_____
Tele. Room	_____
Mr. Nease	_____
Miss Gandy	_____

DECLASSIFIED BY SP6BJA/JS  
ON 3-17-83

April 12, 1950

Director, FBI

RE: INSTITUTE OF PACIFIC RELATIONS  
ESPIONAGE - R

Dear Sir:

Remylet April 6, 1950.

b2  
The documents furnished by [redacted] that have reference to MICHAEL GREENBERG have been reviewed. These documents pertain for the most part to his duties as editor of and writer for the IPR publication "Pacific Affairs", and also to his contacts with EDWARD C. CARTER, General Secretary of the IPR. A careful examination of these documents has failed to disclose anything of significance.

Very truly yours,

*Edward Scheidt*

EDWARD SCHEIDT  
Special Agent in Charge

b7C  
100-17808

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cc: [redacted]

APR 22 1950

EX-115

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